

OVERSEAS NEWS

Bush visits San Francisco earthquake site

By Lionel Barber in San Francisco

PRESIDENT George Bush yesterday toured the stricken San Francisco Bay area, as estimates of the damage and the recovery time caused by Tuesday's earthquake continued to soar.

Congress will take action early next week on providing disaster aid for the San Francisco Bay area, estimated at a minimum of \$2.5bn by Mr Tom Foley, the Democratic Speaker of the House of Representatives, Peter Riddell writes from Washington.

added on to a spending bill due to be considered in the House. Mr Foley said that the total might be around \$2.5bn minimum and I think that figure will grow.

of the rubble indicates that fewer commuters were travelling on the expressway when the earthquake struck on Tuesday evening. Police believe many people had already reached home to watch the baseball World Series that night on television.

Glasnost trims barbed wire from Soviet Union's borders

By Quentin Peel in Moscow

THE Soviet Union is planning to reduce by 90 per cent the vast area of its border zones closed to free movement, scrap the barbed wire in many areas, and simplify border crossing procedures, the head of the KGB said yesterday.

having some 1.4m square miles subject to severe restrictions. Until recently this included the entire Far East region, where the Soviet authorities are anxious to boost economic development.

big increase in smuggling of arms and drugs across the Soviet Union's Central Asian borders, with incursions by armed gangs from Afghanistan since the Soviet troops withdrawal from that country.

Hungarian opposition prepares its platform

By Judy Dempsey in Budapest

AS THE Hungarian parliament yesterday voted away more powers of the Communist Party, a new political movement was setting out its programme in an attempt to gain mass support in next year's free, independent parliamentary elections.

Shortly before the Hungarian Democratic Forum (MDF), the largest of the independent political parties, opened its congress, the Hungarian parliament voted overwhelmingly to accept a new parliamentary election law. The elections, the first free ones to be held since 1948 when the Communists took power, are to take place early next year.

Deputies yesterday voted to increase the number of parliamentary seats for the individual constituencies by 24 to 176, while the 19 counties, plus Budapest, will have 152 seats. The national list, which will be distributed on the basis of proportional representation from the constituency and county votes, has been reduced by 12 to 53. The new parliament will contain 386 seats.

No sooner had the vote been taken than deputies agreed to disband the Workers Guard, the armed wing of the Communist Party set up after the crushed uprising of 1956. All its property and finances will be assessed by a special parliamentary committee which will then hand them over to the ministry of defence.

The issue of when the presidential elections will be held remains unresolved. However, it was decided that any candidate wishing to stand needed 50,000 signatures, while an absolute majority from two-thirds of the voters was required to win. Otherwise, a second round would be held. Those who gained at least 15 per cent of the vote in the first round could stand. A relative majority from half the electorate would secure victory.

Meanwhile, a tram ride down from Parliament along the Danube to the Karl Marx University, Mr Gyorgy Szabó, a historian and a member of the MDF leadership, delivered a rousing speech in which he appealed to the "foreign visitors" to learn about the MDF.

He said the MDF was "the party which tried to create democracy when there was no democracy in Hungary. The MDF want to enter the souls of the people." The party has already won four by-elections.

Over the weekend, the MDF will spell out its economic, social and political policies, determined to show that it is a party equipped to share power in next year's elections.

Polish premier visits Italy

By John Wyles in Rome

MR Tadeusz Mazowiecki yesterday ended his first foreign visit as Poland's prime minister by warning that his country will face a serious food crisis this winter unless the West increases its supplies before the end of November.

After two days of talks in Rome which included a meeting in the Vatican with the Pope yesterday morning, he appealed not only for more food deliveries but also for loans which will repay "to feed the Polish people in December and January. He said the European Community's food aid programme was now under way but that "we are hoping much more will be provided."

The dire state of the Polish economy and its urgent need for cash, expertise and industrial investment were at the centre of meetings between Mr Mazowiecki and his retinue of ministers and their Italian counterparts. The prime minister said he was well satisfied



Polish PM Tadeusz Mazowiecki (right) meets the Pope in Rome.

with Italian undertakings but urged the West to move on "from words to deeds" in coming to Poland's aid.

The Italian government's immediate contribution is to be \$400m (\$250m) of export credits and a promise to participate fully in Western multilateral aid programmes and debt rescheduling. Mr Mazowiecki has left behind in Rome a list of nearly 100 industrial projects for which Poland is seeking direct investment and involvement. He said Warsaw would consult Italian experts on the changes needed to Polish law to facilitate direct investment and joint ventures.

Meetings between the Polish delegation and Italian industrialists, including Mr Cesare Romiti, the Fiat Group's managing director, are to be followed by a resumption of negotiations between Warsaw and the Turin company on a proposal to produce a medium-sized car at the FSO plant in the Polish capital.

Fiat already has the contract to modernise the FSO plant in the south of Poland to produce 160,000 small cars a year and had reached an agreement on a larger model for the FSO plant until the Polish government abandoned the project at the beginning of the year.

W German economic reforms hit snags

By David Goodhart in Bonn

TWO of the reforms most cherished by economic liberals in West Germany - a reduction in the power of the banks and a lower rate of corporate tax - are running into difficulties.

A committee of the centre-right coalition in Bonn, examining the call issue of bank power has decided against recommending a limit on the stakes banks are allowed in industrial companies, despite pressure from the liberal Free Democrats.

The committee decided that because the stakes are being reduced by "natural market developments", there is no need for legislation. Count Otto Lamsbierg, the Free Democrat leader, said he was disappointed by the decision and would be returning to the offensive after the next election at the end of next year.

The committee will recommend some changes to be implemented before the election. First, more transparency in the links between companies and banks, and between different companies, through full declaration in annual reports of all significant inter-company deals by members of executive and supervisory boards. In the case of banks this will also apply to managers further down the scale.

Second, the Cartel Office will be asked to examine how best to ban the practice of bankers holding supervisory board seats in companies competing in the same sector.

There are technical problems of defining a "competing" company which the Cartel Office will examine. Any such ban will also apply to leading trade unionists who offer sit on several supervisory boards.

Third, there will also be further examination of the banks' right to use voting rights on the shares lodged with them. The committee wants to encourage shareholders to use their voting power but is split on whether to abolish the existing system.

Defenders are emerging within business associations on how best to reduce corporate tax.

Business is united about the need for a cut early in the next legislative period, but the Federation of German Industry's latest proposals for a new "operating tax" are not popular with the DIET, which represents smaller businesses.

Businessmen claim that total tax on profits will remain at about 67 per cent even after next year's cut from 66 to 63 per cent of basic corporate tax. The business lobby wants that level further reduced.

London-Buenos Aires air links discussions

By Robert Graham in London and Gary Mead in Buenos Aires

AEROLINAS Argentinas and British Airways are expected to formalise discussions in the near future on resuming direct air links.

This follows Thursday's wide-ranging agreement in Madrid between Argentina and Britain on a resumption of consular relations, broken since the 1982 Falklands conflict.

British Airways has been anxious for some time to resume a service between London and Buenos Aires but has been inhibited by the diplomatic stalemate. The route between the two capitals has traditionally been among the most profitable in Latin American business.

The earliest the service could be resumed would be in January. It is still uncertain whether Aerolinas Argentinas has aircraft available for the run and this could condition whether or not BA operates alone, paying a royalty.

Vatican blackmail claim

By John Wyles

THE mysterious death in London of Roberto Calvi and the bankruptcy of his Banco Ambrosiano was rehashed and served up for Italian public delectation yesterday amid suggestions that an apparently successful attempt may have been made to blackmail the Vatican.

Earlier this week, Rome magistrates arrested and imprisoned Mr Flavio Carboni, the man who was with Calvi during his last hours in London. He has been charged with handling stolen goods and fraud.

According to Italian press reports, based on official briefings, the magistrates have established that Mr Carboni had at some time in recent years deposited two cheques for 160m drawn on the Vatican Bank Istituto per le Opere di Religione (IOR).

According to Corriere della Sera, Mr Carboni had offered to sell documents which were in Mr Calvi's briefcase at the time of his death. The briefcase disappeared after the banker was found hanging under Blackfriars Bridge in 1982, only to reappear in 1986 in the hands of a deputy from Italy's neo-fascist Party, the MSI.

It contained bunches of keys but none of Calvi's private papers. The Milan newspaper says Mr Carboni flew the briefcase out of London on a private jet on the day that Calvi's body was found.

A Czech bishop whose Vatican responsibility is refugees from Eastern Europe has received an official notice that he is under investigation, says Corriere, which adds that Mr Carboni did not release any documents to the bishop.

Italy's supreme court ruled last year that Milan magistrates could not extradite American-born Archbishop Paul Marcinkus, who was head of the Vatican Bank during the Calvi years at Ambrosiano.

Mexican copper mine and steel strikes end

By Richard Johns in Mexico City

STRIKES which have paralysed the Compania de Sideros y Acero in the state of Sonora and the Sideros steel works at Lázaro Cárdenas, Michoacan, for the past few months have been called off under settlements drastically reducing the labour force at both enterprises.

The militant Section 65 of the Mineworkers of the Mexican Revolution union, after having earlier rejected a deal which cut between the Ministry of Labour and union leaders, decided unanimously on Thursday to return to work.

The settlement involves 650 redundancies out of more than 3,500 miners, with compensation, adoption of a new contract, facilitating job mobility and the elimination of restrictive practices and round-the-clock shifts.

Workers will receive a wage rise of 23 per cent compared with the 300 per cent claim. The Government to declare the company bankrupt on August 20. The pay deal demanded by Section 65 would probably have bankrupted the company, but now, without any announcement, it has apparently been taken out of receivership.

At the Sideros steel plant the workers, members of the same union, voted by 1,724 to 963 to end the strike which began on August 23.

They have accepted a loss of 1,119 jobs out of a total of 5,000, as well as important modifications to the labour contract.

They will receive an increase of 32 per cent in pay and benefits with 50 per cent compensation for lost wages and a down payment of 100,000 pesos (\$38).

rise of 23 per cent compared with the 300 per cent claim. The Government to declare the company bankrupt on August 20. The pay deal demanded by Section 65 would probably have bankrupted the company, but now, without any announcement, it has apparently been taken out of receivership.

At the Sideros steel plant the workers, members of the same union, voted by 1,724 to 963 to end the strike which began on August 23.

They have accepted a loss of 1,119 jobs out of a total of 5,000, as well as important modifications to the labour contract.

They will receive an increase of 32 per cent in pay and benefits with 50 per cent compensation for lost wages and a down payment of 100,000 pesos (\$38).

Krenz faces fresh unrest

By Leslie Colitt in Berlin

THE first big demonstration in the northern part of East Germany, in the Baltic seaport of Rostock, has signalled fresh problems for the country's new leader, Mr Egon Krenz.

More than 10,000 people took to the streets of Rostock on Thursday evening demanding political reforms and the legislation of the largest opposition group, New Forum. The police did not interfere with the peaceful protest.

Another demonstration took place in Zittau, near the Polish border, where nearly 10,000 citizens demonstrated for New Forum.

Meanwhile, East Germans are to be given passports valid for travel everywhere under a new law, according to the head of the passport section of the Interior Ministry, Colonel Gerhard Lauter.

At present, East Germans below retirement age can only travel to the West if they have relatives there, which has led to great bitterness among the majority of the country's population without such relations.

East Germany's reluctant rebel heads growing opposition

Leslie Colitt talks to painter Bäbel Bohley, the moving force behind New Forum

SEATED in the eye of the political storm sweeping East Germany is a slight, 45-year-old woman painter, the most unlikely imaginable leader of an East European opposition movement.

Ms Bäbel Bohley is the moving force behind New Forum, the largest East German opposition group, which, however, has no leader. Founded only last month with just over 100 members, New Forum now numbers at least 30,000 and perhaps as many as 60,000 citizens - lists of signatories from all over the country have yet to be counted. From early morning to night her flat in East Berlin's run-down Prenzlauer Berg district is besieged by East Germans offering their support and seeking advice. Had she known what was going to happen she would never have "begun all this", Ms Bohley tells visitors.

A number of them are former members of the Socialist Unity (Communist) Party who left in protest against its orthodoxy. At first the party declared New Forum "subversive" but now, under the pressure of mass demonstrations in East Ger-

man cities, it appears to have decided to tolerate the movement.

Ms Bohley, in common with most East Germans, does not expect much from the new leader, Mr Egon Krenz, who succeeded Mr Erich Honecker this week. "I have lived long enough in the GDR. We had Wilhelm Pieck (the first East German President), Walter Ulbricht (the first party leader) and then we had Erich Honecker. Each time there was no change. It is not a question of who is at the top but whether the people down below have changed," she says.

There is little doubt they have. More than 100,000 protesters in the streets of Leipzig and 25,000 in Dresden last Monday proved as much. But while the demonstrators surged through the streets chanting "legalise New Forum", they were as leaderless as New Forum itself. The aroused populace has brought forward no charismatic equivalent of Lech Walasa or even a Vaclav Havel in Prague.

"I'm sure someone will get up on a soapbox and talk to the workers. But it is absurd to think that I as a

painter could do it," Ms Bohley says. She laughs at the description of her in the West German press as the Joan of Arc of East Berlin. In fact she is much closer to Petra Kelly, founder of the West German Greens,

with which New Forum has a good deal in common - especially its dislike of leaders.

What kind of political and social system does she envision for East Germany? Could it survive, as New Forum thinks is possible, as an independent German state with a democratic form of socialism? Ms Bohley is vague here, partly because New Forum is so diverse, partly because she does not like to use the word "socialist", which has been so discredited in Eastern Europe.

"I hope the GDR won't be like the Federal Republic," she suggests. "We want a more humane way of life." But at other times she speaks of "divided Germany", which implies an artificial condition. During her enforced six-month exile in the West last year she found that she liked it better "everywhere else" than in West Germany. This sentiment sets her and other leftist intellectuals apart from most East Germans. The very wealth and ostentation that repels her in West Germany has an irresistible attraction for ordinary East Germans.

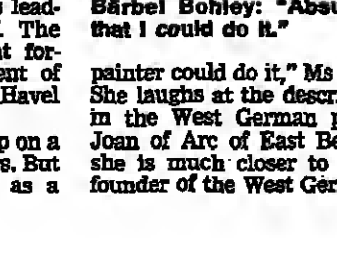
Ms Bohley freely admits that few

workers have joined New Forum, although it has many craftsmen. But at the latest demonstration in Leipzig many young workers repeatedly called for the legalisation of New Forum. This reflects a growing awareness in factories that the political reforms demanded by the opposition group are also in the interests of workers.

It also explains why Mr Krenz rushed into a meeting with workers at a large East Berlin factory on his first day in office. An alliance between New Forum and the increasingly restive workers is one which the party will attempt to prevent at all cost.

Ms Bohley is plainly worried about the Protestant church, which she appealed to the population not to demonstrate and whose leader, Bishop Werner Leich, met Mr Krenz on Thursday at his request.

Bishop Leich said afterwards that he believed Mr Krenz could calm the "bad mood" in the country and enter a dialogue with the population. He might also be prepared to talk with the opposition groups, the bishop suggested.



Bäbel Bohley: "Absurd to think that I could do it."

OVERSEAS NEWS

Australian debt stability further away than hoped

By Chris Sherwell in Sydney

STABILISATION of Australia's external debt by the early 1990s - long the over-riding economic goal of Prime Minister Bob Hawke's Labor Government - is going to take longer than hoped or planned, to judge by new official projections...

assuming import growth is held to 2 per cent per year. This is not only higher than Australia's past export growth performance, it is also above most research agency forecasts...

Pretoria 'could face \$8bn debt repayments'

By Paul Waldmeir in Johannesburg and Stephen Fidler in London

SOUTH AFRICA could face foreign debt repayments of \$7.5bn-\$8bn over the next four years, despite the announcement on Tuesday that some \$8bn of debts had been rescheduled...

Economists said it was essential that repayments be reduced from the \$7.5bn-\$8bn level to around \$6bn over the period. Unless substantial amounts of debt are rolled over, South Africa would be faced with repayments of \$2bn a year...

Bid to mend split on South Africa sanctions

COMMONWEALTH leaders were this weekend meeting in the idyllic atmosphere of the island of Langkawi, off Malaysia, in a last attempt to paper over their differences over South African sanctions...

Mrs Thatcher had made it clear she would have nothing to do with the package of new trade and financial sanctions which Mr Bob Hawke, Australia's Prime Minister, tabled two days ago...

It is considered inevitable that the communiqué will be in the form of an agreement to disagree, at least as far as its section on South Africa is concerned.



Mr and Mrs Thatcher ride by trishaw to their beach resort

But a draft communiqué drawn up by a committee of 10 foreign ministers, including Britain, showed the gap between the UK and the other member-countries had not been bridged last night.

Informal discussions are also expected to produce an important declaration on the environment, which has produced a greater measure of agreement than South Africa.

The committee of Foreign Ministers worked into the night yesterday on the final document to be submitted for approval by the heads of government. Wording had to take into account fundamental differences on sanctions against South Africa between Mrs Margaret Thatcher, the British Prime Minister and more than 40 other Commonwealth countries.

The "Langkawi Declaration" on the environment, by contrast, will show the member states agree on the urgency of collective action "to avoid impending global disaster", in the words of the provisional draft drawn up by Malaysia.

Where there is still disagreement between Britain and its partners is over how such action should be financed and the forum in which it should be co-ordinated.

It was also agreed that the burden of creating a better environment must be shared by all, though it is generally accepted that the industrial

countries will have to assume the lion's share of the cost. Mrs Thatcher yesterday recognised that the industrialised countries had been the major culprits in polluting the planet, a point made forcibly by Dr Mahathir Mohamad, Malaysia's Premier.

But Mrs Thatcher does not want the Commonwealth to set up new institutional machinery to deal with environmental action. She feels it is a global problem best dealt with in the context of the UN World Environmental Programme.

She also declined the role of private capital in improving the environment, while most of the other members feel that governments should take the leading role in funding environmental programmes.

The discussions of the Heads of Government concentrated on three main themes: climatic changes and their effect on the rise of the sea level, the dangers of so-called "environmental extremism", which has led to the destruction of tropical

forests and desertification, and the preservation of "global commons", such as space, Antarctica and the ocean bed. It was generally accepted that developing countries could not be asked to forgo economic growth for the sake of protecting the environment, but that a proper balance had to be established between the two requirements.

Britain urges support for HK

By Robert Mautner in Kuala Lumpur

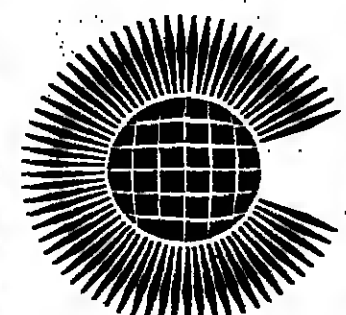
BRITAIN is proposing that the Commonwealth leaders should make a declaration expressing their support for the people of Hong Kong at the end of their summit in Kuala Lumpur next week.

The British proposal, not yet endorsed by the other leaders, has provoked an angry reaction from China, which has accused Britain of wanting to "internationalise" the Hong Kong question.

Hong Kong was purely a Sino-British matter, a government spokesman in Peking was reported as saying. A senior British spokesman at the summit retorted that, until the year 1997, when sovereignty over Hong Kong would be handed over to China, Hong Kong would remain a British crown colony and Britain's sole responsibility.

The Commonwealth was an association of free nations in which Britain could raise whatever issue it liked.

British attempts to get the Heads of Government to issue a general declaration of support for the people of Hong Kong are part of London's attempt to restore the confi-



COMMONWEALTH SUMMIT

dence of the colony's population after the suppression of student demonstrations in Peking last June.

Britain, which considers that Peking is responsible for the lack of confidence of the people of Hong Kong in their future, is also trying to persuade it to take measures to restore that confidence - so far without avail.

China has rejected British requests that it should not station troops in Hong Kong when it takes over the territory, and

that it should make clear that it would never declare a state of emergency there.

A delegation of members of the Hong Kong Executive and Legislative Councils (OMELCO), which met Mr John Major, British Foreign Secretary, in the margin of the summit, has complained at the delay in the announcement of a promised British scheme to give a limited number of Hong Kong citizens British passports, which would enable them to leave in an emergency.

The OMELCO delegation told Mr Major that, if the current increasing rate of emigration - now running at between 40,000 and 50,000 a year - continued, by the early 1990s Hong Kong would have lost so large a proportion of people who made the territory work, that Britain might be in danger of failing to fulfil its responsibility of preserving the colony's economic prosperity and social stability.

"We explained (to Mr Major) that the confidence problem in the territory, far from having recovered since the events of June, is now as severe as it has been.

Mandela tells ANC to refrain from violence

By Paul Waldmeir in Johannesburg

MR NELSON Mandela, the jailed leader of the African National Congress (ANC), has appealed to his followers to refrain from violence, although his movement remains officially committed to the armed struggle against the South African Government.

Mr Mandela is reported to have instructed the seven young leaders released last weekend to "preach peace" when they returned to their homes.

One of the seven, Mr Oscar Mphahlele, said he was acting on this instruction when he called yesterday for an end to the stoning of cars in the western Cape, which has led to two deaths in recent weeks.

"If you don't want to listen to me, then listen to Mandela because he has appealed to us to use non-violence," Mr Mphahlele said.

He said the seven had told Mr Mandela that the Government was the source of violence, but Mandela had replied: "If you preach peace, they will refrain from violence."

Mr Mandela's reported comments appear to contradict those of the most prominent of the released leaders, the senior ANC official Mr Walter Sisulu, who said yesterday that abandoning the armed struggle was out of the question.

"You can't just say that we must abandon (violence) and

literally that is not the way of dealing with such an important issue," he said, adding: "There must be a negotiation on the basis of military operations."

The role of the armed struggle is clearly coming into question within the organisation, with the ANC newsletter, *Sechaba*, carrying vigorous debates on the subject.

Whatever the leaders' rhetoric, there are signs that the ANC may already have agreed to the *facta* suspension of violence, as a tactical move to avoid jeopardising recent diplomatic advances made by the organisation internationally.

According to Mr Mark Phillips, a researcher at Johannesburg's Centre for Policy Studies, there have been no reported violent incidents linked to the ANC's military wing, Umkhonto we Sizwe, for nearly two months.

Mr Sisulu has repeatedly defended the armed struggle in recent days.

However, he took a conciliatory tone on other issues yesterday, saying that he believed "pre-negotiations" with Pretoria could begin soon after the released leaders had gone to Lusaka to consult the movement's exiled leadership, hinting that the ANC might consider the issue of guarantees for whites negotiable.

Japan's money supply up 9.6%

By Paul Waldmeir in Tokyo

JAPAN'S main money supply indicator, M2 (cash, time deposits and deposits), grew 9.6 per cent in September year on year, the same rate as in the previous month, the Bank of Japan said yesterday, in Rodger reports from Tokyo.

The growth rate has been in single figures since May, after more than two years of double digit increases.

Aid officials estimate the total cost at more than \$170m. Continuous welded steel tracks and concrete sleepers have been laid and trains armoured against rocket grenade attacks. About 600 Malawian soldiers as well as Mozambican forces have been deployed to protect the railway.

Officials say Malawi cannot depend on Nacala alone. It is developing a northern route to Dar-es-Salaam in Tanzania, which is expected to carry up to 30 per cent of trade when completed in 1991 at a total cost of \$160m.

This "back door" route is considered important to guard against continuing instability in Mozambique and to reduce dependence on South Africa.

Indian opposition targets corruption

By David Housego in New Delhi

THE National Front, the major Indian opposition group yesterday launched an election manifesto that puts the main emphasis on "removing corruption and restoring the dignity of national institutions".

Speaking at a press conference that left little doubt that Prime Minister Rajiv Gandhi will himself be a major theme of the Front's campaign, Mr V. P. Singh, the leader of the Opposition, said that the country had a government the reputation of which made an Indian "put down his head in shame."

The manifesto itself is a vaguely worded document full of populist promises that give little clue to the policies the Opposition would follow if they came to power. The promises include a remission of farmers' debts, cheaper agricultural credit and a diminishing role for big business and transnational corporations.

Among the members of the National Front are the Janata Dal, led by Mr Singh, and several regional parties as the DMK of Tamil Nadu and the Telugu Desam of Andhra Pradesh. Outside the Front - but a major force in the opposition - are the Hindu BJP, and the Communists.

Reflecting its strong regional bias, the Front's manifesto promised more autonomy to state governments. This is an issue on which the opposition could be expected to differ from the ruling Congress-I which has emphasised strong central government.

On one crucial point, the manifesto showed major differences with the Hindu movement, the BJP. The National Front came out strongly in favour of protecting Muslim rights and allowing the Mos-



V.P. Singh: Front-runner in opposition campaign

lems their own personal law. It distanced itself from the Hindu fundamentalists' stand over the building of a new temple at Ayodhya, saying the dispute between Hindus and Muslims should be the subject of an amicable settlement.

The Front came closer to the left-wing parties in arguing for reducing the role of multinationals and for tighter controls on non-essential imports.

The Congress manifesto is also likely to pay lip service to these beliefs which have formed part of the traditional socialist backdrop of Indian governments - though in practice the administration is moving away from them.

The Front leaders fumbled in answering questions over the manifesto suggesting that it has not been the focus of any real discussion. Far more difficult at this stage than the framing of vague policies are the constituency nominations which are absorbing the energies of both Congress and Opposition leaders.

Malawi reopens Nacala railway

By Mike Hall in Harare

THE Malawi government yesterday announced the re-opening of the Nacala railway, a strategic trade route through neighbouring Mozambique which has been closed for five years due to attacks by Mozambique National Resistance (MNR) rebels.

The closure in 1984 of the railway linking landlocked Malawi with the Indian Ocean port of Nacala forced Malawi to re-route 90 per cent of its trade via long and expensive routes through Durban in South Africa.

Mr Justin Malwezi, secretary to the President and Cabinet, told businessmen in Blantyre that re-routing trade through Nacala would improve prospects for Malawi's economy and help cut inflation by reducing transport costs, the

state-run Malawi news agency said.

Economists say Malawi's external transport costs are among the highest in the world. They estimate 45 per cent of this agricultural nation's foreign earnings are spent on transport every year.

Extra spending due to the closure of Nacala and another shorter railway to Beira port, is expected to exceed \$100m this year.

The re-opening of the 600-mile line comes two months after the right-wing MNR announced during peace talks with Mozambican church leaders in Nairobi that they would halt attacks on the route as a "gesture of goodwill".

Canada, Portugal, France, Italy and the EC have helped finance the rebuilding of the

line. Aid officials estimate the total cost at more than \$170m.

Continuous welded steel tracks and concrete sleepers have been laid and trains armoured against rocket grenade attacks. About 600 Malawian soldiers as well as Mozambican forces have been deployed to protect the railway.

Officials say Malawi cannot depend on Nacala alone. It is developing a northern route to Dar-es-Salaam in Tanzania, which is expected to carry up to 30 per cent of trade when completed in 1991 at a total cost of \$160m.

This "back door" route is considered important to guard against continuing instability in Mozambique and to reduce dependence on South Africa.

Tokyo urged to open its doors to foreign workers

By Michiyo Nakamoto in Tokyo

PLAGUED by labour shortages, small businesses in Japan - especially in the food services industry - are pleading with the Japanese Government to open the country's doors to foreign workers, and the powerful construction industry may soon join them.

The National Federation of Small Business Associations has resolved to ask the Japanese Government to open the labour market to foreign workers, while the Japan Food Services Association, which represents the country's bars, restaurants and fast-food chains, is putting together a

proposal to enable foreign workers to work legally in Japan.

Yesterday, a leading national newspaper reported that the chairman of the Japan Federation of Construction Contractors (JFCC), Mr Hajime Sako, had stated that the long-lasting domestic construction boom and the extreme shortage of construction workers in Japan made it necessary to consider accepting foreign workers on a temporary basis.

Officially, the JFCC has taken a negative stance towards the acceptance of for-

ign workers in line with government policy, and federation officials could not confirm Mr Sako's remarks yesterday.

Japan's booming economy has led to severe shortages of workers in a large number of industries, which has in turn attracted a flood of illegal workers from neighbouring countries. The authorities have been caught between concern about their ties with their neighbours and worries about social problems in Japan.

Last November, the Construction Ministry warned contractors against hiring illegal aliens, and this summer,

guidelines on trainees were made more stringent to stop companies hiring foreign workers under the pretext that they are trainees.

The Ministry of Justice prosecuted more than 14,000 illegal workers last year, but estimates are that the number of illegal workers in Japan is well over 100,000.

Some 40 per cent of those found to be working illegally in Japan last year had been employed in the construction industry. Food services industry leaders have acknowledged that businesses are highly dependent on a large number

of foreign part-time workers.

An official of the Japan Food Service Association says it would like to encourage the acceptance of foreign workers under certain conditions.

The government's position has been that it cannot change its rules to relieve a labour shortage problem that could be temporary.

"The construction industry, for example, is subject to fluctuations in demand," a Construction Ministry official said. "If we tell workers to go home when there is a downturn, we will face criticism that we are just using them."

THE PERFECT WORKING ENVIRONMENT
See the new business range of hand tailored suits by Chester Barrie.
From 2475 at Austin Road, Regent Street and major branches.



AUSTIN REED
of Regent Street

UK NEWS

Waiting lists at hospitals longest for many years

By Alan Pike, Social Affairs Correspondent

THE GOVERNMENT is to urge "poor-performing" health authorities to take urgent action following publication of the worst hospital waiting lists for several years.

Figures released by the Department of Health yesterday showed that 704,700 people were waiting for in-patient treatment in England in March, compared with 691,100 last September.

Mr David Mellor, Health Minister, admitted that the figures were "disappointing overall in showing a small but regrettable growth in waiting times," even though the number of cases treated rose by nearly 2 per cent in the six months to March 31.

"What is clear is that some regions are coping much better than others. I am pressing the poorer performers to analyse the reasons for this, and to take effective and urgent action to deal with the matter," Mr Mellor added.

Earlier this year a government-appointed management team investigated the 22 health districts with the longest waiting times.

Mr Mellor said that exercise, backed by money from the Government's £31m waiting list fund, had reduced by a quarter the number of patients

Government to clear the way for TV sponsorship

By Raymond Snoddy

THE Government has decided to sweep away virtually all restrictions on the sponsorship of commercial television.

The Broadcasting Bill, to be published as soon as possible after next month's Queen's Speech, will open the way to sponsorship of a wide range of programmes, including fiction and drama, by cancelling the curbs set by the 1981 Broadcasting Act.

The bill will give the Independent Television Commission, the body that will replace the Independent Broadcasting Authority, the power to draw up a code of practice on sponsorship.

The only absolute prohibition will involve the sponsorship of news and current affairs. The Government has agreed a ban on such sponsorship by accepting both the terms of the European Community directive on broadcasting and the Council of Europe convention on transfrontier broadcasting.

Until recently, sponsorship was limited largely to programme areas such as sport or the arts, portraying events that would not have happened regardless of sponsorship.

The IBA has recently extended possible areas of sponsorship to include arts magazine programmes and instructional programmes.

Pedigree Pet Foods has started to sponsor Granada Television's *Pets and People* programme, and Peugeot, one of the two successor companies to the Central Electricity Generating Board, is sponsoring ITV's national weather forecasts.

Mr Melvyn Bragg, head of arts programmes at London Weekend Television, has also said he is seeking sponsorship for the *South Bank Show*, the arts programme.

Future rules on sponsorship will be a matter for the ITC and its chairman Mr George Russell, now chairman of the IBA, but it is to use its new freedom to extend the categories of programmes which can accept sponsorship.

If they decide to do so, British television could start to look more like American television where sponsorship is commonplace.

Mr Timothy Renton, the Home Office minister responsible for broadcasting, made clear in 1987 that he thought the existing rules on sponsorship were drawn too tightly.

"It does seem clear to us that that what has been regarded as the unacceptable area of commercial broadcasting is now increasingly accepted by broadcasters as a legitimate source of funding," Mr Renton said at the time.

Not all of Britain's broadcasters are enthusiastic about the possibility of more sponsorship. Mr Michael Grade, chief executive of Channel 4, warned earlier this month: "Sponsorship without tight rules threatens to break the contract between the viewer and the broadcaster."

Borrowers unbowed by high costs

David Lascelles finds that loans are flourishing against the odds

BRITAIN'S loan boom goes on and on. Few things highlight Mr Nigel Lawson's dilemma more starkly than the apparently unstoppable rise in lending by UK banks and building societies. Even though interest rates are now at 15 per cent, their highest point in eight years, lending is still increasing.

This week's figures showed new loans up by nearly 20 per cent in a record £10.2bn in the month of September. How can this be? And when will it stop?

There is no easy answer to the first of these questions. When the Committee of London and Scottish Clearing Bankers, which collects the lending figures, polled its members this month, it could find no obvious reason for the continuing surge. All that was apparent was the new borrowing is coming mainly from business rather than personal customers.

"No one sector was borrowing out of line. It was right across the board," said the committee.

There are some peculiarities which account for part of the increase. September, for example, is the month when banks impose their quarterly charges in loan accounts. These charges are usually added to the amount outstanding, so loan totals get a seasonal boost. But this probably represents only 2 per cent of the increase, bankers believe.

Another point was that September was a month when a further rise in interest rates was expected, so it was a good time to bring forward borrowing plans. Many companies also tried to make money by re-lending borrowed money back to the markets at higher rates, a practice known as round-tripping.

Barclays Bank yesterday became the first clearing bank to increase its mortgage rate in the wake of the latest rise in interest rates.

The bank raised its rate for homeowners by one percentage point to 14.75 per cent, equivalent to 15.8 per cent on an annual percentage rate (APR) basis, slightly below the new level set by large building societies. The rate is effective from Monday.

The move by Barclays, the largest of the bank lenders to the homes market, makes

it certain that the other clearers will follow soon. NatWest, the second largest bank lender, said last night: "We are reviewing the position and expect to make an announcement shortly."

Mr Seymour Fortescue, director of UK retail services, said an increase in mortgage rates had become inevitable, but Barclays was keeping the rise to one percentage point because of the impact on household finances.

Barclays is also increasing rates for personal depositors.

has been rather flat over the last year or so," said Mr Peter Ellwood, chief executive of retail banking at the Trustee Savings Bank. There has, however, been a slight pick-up recently in mortgage lending.

Last month the Building Societies Association reported a pick-up in confidence in the housing market, though whether that will survive the subsequent rise in mortgage rates is doubtful.

As for the second question, when will the borrowing boom stop, bankers say that the latest rise in rates is bound to have an effect.

The Equipment Leasing Association, whose members finance nearly a third of UK investment in capital equipment, has just conducted a survey which shows an easing trend. Mr Neil Grant, the ELA's director, said yesterday: "It indicated that although lending was buoyant in the first and second quarters of this year, the third quarter is showing definite signs that it is beginning to slow." But the slowdown, as Mr Grant stresses, is from a very high level of activity.

Clearing bankers also expect to see an easing in the closing months of this year, though possibly not a dramatic one. "We see lending dropping off slightly towards the end of this year," said Mr Geoff Mainwaring, director of the corporate division of Barclays, one of the UK's largest lenders to companies. But Barclays also expects that involuntary borrowing will keep the overall totals at high levels.

So there are some encouraging signs for Mr Lawson, but also plenty to support his warning at the Mansion House that interest rates will have to remain high for some time.



Mr Peter Ellwood: Personal lending has been rather flat

for companies, but possibly better news for Mr Lawson. A good part of the rise is what bankers call "involuntary borrowing" - when companies have to turn to their banks to top up the depleted cash flow from declining sales. As conditions get tighter, businesses also start cutting back on the amount of credit they extend to each other, and that credit gets forced into the banking system instead, where it shows up in the figures.

In addition to that, alternative sources of borrowing for companies, such as the stock and bond markets, are not attractive at the moment because of weak prices. So that, too, forces companies to turn to their banks. Although it is not yet clear how much of the loan demand is "involuntary" borrowing, the fact that it has begun to appear suggests that the cycle is reaching its peak.

More than four-fifths of the September surge came from business. Little of the extra borrowing was coming from the personal sector, where consumers are clearly feeling the pain of high interest rates.

"Overall, personal lending

for companies, but possibly better news for Mr Lawson. A good part of the rise is what bankers call "involuntary borrowing" - when companies have to turn to their banks to top up the depleted cash flow from declining sales. As conditions get tighter, businesses also start cutting back on the amount of credit they extend to each other, and that credit gets forced into the banking system instead, where it shows up in the figures.

In addition to that, alternative sources of borrowing for companies, such as the stock and bond markets, are not attractive at the moment because of weak prices. So that, too, forces companies to turn to their banks. Although it is not yet clear how much of the loan demand is "involuntary" borrowing, the fact that it has begun to appear suggests that the cycle is reaching its peak.

More than four-fifths of the September surge came from business. Little of the extra borrowing was coming from the personal sector, where consumers are clearly feeling the pain of high interest rates.

"Overall, personal lending

SIB faces opposition to compensation rule

By Eric Short

LIFE COMPANIES and building societies have told the Securities and Investments Board - the investor protection body - that they should not have to contribute to funding the compensation scheme for investors. The Consumers' Association, however, has welcomed the SIB's proposal to include life companies and building societies within the scope of the scheme.

Opposition to the SIB's proposals comes in submissions from the Association of British Insurers and the Building Societies Association in response to the SIB's plans for its central investors' compensation scheme.

The 1986 Financial Services Act requires the SIB to operate a scheme to compensate investors against financial loss in the event of an investment firm running into financial problems.

In August last year, the SIB set up a central umbrella scheme called The Investors' Compensation Scheme which compensates investors in full on the first £30,000 of their investment and 90 per cent of the next £20,000.

The scheme is funded in a complex two-tiered way, with the individual regulatory body meeting the first part of the claim and additional costs shared between all regulatory

bodies. Life companies and building societies were excluded from the funding arrangements on the grounds that they had their own compensation arrangements. The SIB undertook to review the scheme after a year.

The scheme has paid, or is in the process of paying, compensation on five claims, none of which is large enough to involve the second tier cross-subsidy payments.

The SIB said the scheme should not be fragmented and that all investment institutions benefited from the climate of confidence generated by the scheme.

The Association of British Insurers and Building Societies Association argue that their compensation schemes provide similar, if not better, protection than the SIB scheme.

The insurers' association points out that there is no proposal for other regulatory bodies to contribute to its compensation scheme - set up under the 1977 Policyholders Protection Act. Mr Mark Boleat, director-general of the BSA said: "Building societies and their subsidiaries would not give rise to any claims under the scheme."

The next stage is for the SIB to issue its intentions, which would be binding on life companies and building societies.

Consumer spending rise disappoints City

By Patrick Harverson, Economics Staff

CONSUMER expenditure rose slightly to £67.2bn in the third quarter of this year, according to figures released by the Central Statistical Office yesterday.

Although the figures confirmed that growth in consumer spending is slowing, the rise disappointed the City of London which had been looking for a fall in spending of about 0.2 per cent.

The figures provided further evidence that consumers are learning to live with high interest rates, but the impact on consumer confidence of this month's rise in the cost of borrowing to 15 per cent will not be evident until data for the fourth quarter is published.

The CSO said spending in

the three months to September was 0.1 per cent above the previous quarter, compared with a much larger revised 1.6 per cent increase in the second quarter of this year. It was 3.9 per cent higher than in the same period in 1988.

The CSO said the estimate for third quarter spending reflected the slower rate of growth in retail sales and vehicle expenditure. Car sales in September were particularly slack after a record August.

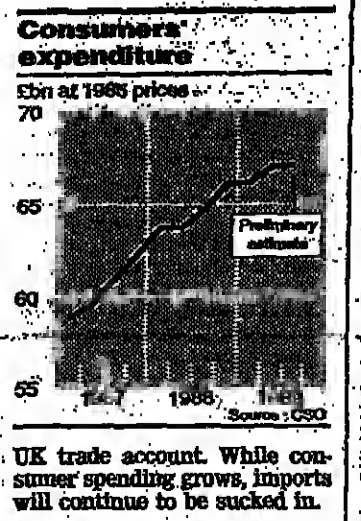
Total consumer spending for the first nine months of this year now stands at over £200bn, 4.4 per cent higher than the same period of 1988.

This suggests that annual spending growth this year will comfortably exceed the 8.5 per

cent target set by Mr Nigel Lawson, the Chancellor, in the Budget earlier this year. It is possible that he will announce a revised target in the Autumn Statement next month. City analysts are forecasting full-year growth in consumer spending of at least 4 per cent.

Consumers have responded to high interest rates by reducing spending in the high street, but continue to spend more on services such as holidays, travel, entertainment and eating out. City analysts believe that the relative buoyancy in consumer confidence leaves little room for interest rates to come down in the short term.

Analysts said the figures also reduced the likelihood of any rapid improvement in the



INVESTMENT DECISIONS? GET ALL THE ANGLES JUST ROUND THE CORNER

It's there, every Friday, at your local newsagent.

Investors Chronicle gives you the low-down, the overview, the slant and the broad picture on investment opportunities and personal finance: what to buy, when to sell, where to save, who to watch, how to make the most of your money.

You'll find every issue packed with the latest news - giving you every angle on all the markets!

- market trends: where the money is moving and why
- advice on vital personal finance decisions
- comment on company performance and share prices
- information: statistics and tables to back your judgement

Investors Chronicle is quite simply the best way for you to get every angle on the fast-moving world of money and investment.

Make sure you get your copy. Just £1.20 at your newsagent every Friday.

INVESTORS CHRONICLE
A Financial Times Magazine

Talks aim to cut Channel tunnel costs

By Andrew Taylor, Construction Correspondent

PROPOSALS aimed at cutting costs, reducing duplication of management, cutting bureaucracy and overheads, and improving working relations between Eurotunnel and Anglo-French consortium building the Channel tunnel, and the contractors have been tabled at a series of meetings between executives and directors of the two organisations.

The meetings have been called to try to reconcile differences between Eurotunnel and the contractors over a large rise in the cost of the project.

Three weeks ago, Eurotunnel announced that the project would cost at least £2bn more than the £5bn original estimate.

Contractors and technical advisers to the 200 international banks which have agreed to provide Eurotunnel with £5bn of loans and standby credits have warned that costs could rise between £500m and £1bn higher than the latest Eurotunnel forecast.

Meetings in the past fortnight between Eurotunnel and Transmanche, a consortium of five British and five French construction companies contracted to build the project, have been considering options for changing parts of the design to reduce costs.

They have also been examining ways of reducing duplication of management at the two organisations and improving communications.

Banks have said that differences between Eurotunnel and the contractors over costs must be reconciled before they will countenance lending any more money to the tunnel project.



Cecil Parkinson (left): Letter to Christopher Tugendhat

Move to ease air traffic curbs rejected

By Ralph Atkins

MR CECIL Parkinson, Transport Secretary, yesterday rejected proposals for relaxing air traffic restrictions at the London airports of Gatwick and Heathrow.

The Civil Aviation Authority had proposed an easing of night noise limits at both airports. It also wanted charter flights allowed into Heathrow and priority given to business and corporate aviation for

spare peak-time "runway slots".

In a letter to Mr Christopher Tugendhat, CAA chairman, Mr Parkinson stressed the "vigour and enterprise" of the airports industry, but he was "very reluctant" to change current noise restrictions before 1992.

He was anxious to encourage business aviation but giving it priority at peak hours would bring negligible benefits.

On charter flights, he said that allowing them to land at Heathrow would not make a significant contribution to balancing supply and demand for runway capacity in London.

Mr Parkinson agreed that so-called "deferred rules" put forward by the Department of Transport in 1986 should not be introduced. These would have given priority to scheduled traffic at Gatwick.

Fimbra changes discipline rules

By Richard Waters

THE disciplinary procedures of one of the City's self-regulatory bodies have been overhauled following concern that they are too slow and cumbersome.

The Financial Intermediaries Managers and Brokers Regulatory Association, which regulates mainly small investment firms, said yesterday the changes followed concern about "defects" in its current rules, which prevent it dispensing "speedy and effective justice."

"Under the new rules, to take effect on 1 December, Fimbra's judicial disciplinary hearings will be scrapped. Judgement will be passed by a new disciplinary committee, which will meet weekly and will generally not hear evidence from firms which are the subject of the proceedings.

Firms will continue to have the right to make their case, with a lawyer present, at an appeal hearing. Fimbra says reducing the number of judicial hearings from two to one will speed up the process.

In a further change, Fimbra will be able to issue "Rule 17" suspensions, which prevent firms from trading or disposing of any of their assets, within a day.

LAW SOCIETY ANNUAL CONFERENCE

Firms sell their attractions to students

SEVERAL speakers at the conference have emphasised the need for solicitors to market themselves.

In the basement of the Conference Centre yesterday they were doing just that - not as providers of legal services but as potential employers.

For the second year running, a careers and recruitment fair was held in conjunction with the conference. Last year in Cardiff about 50 City and provincial firms set up their stalls and hawked their attractions to nearly 1,000 students.

This year there were 80 stands, gratifyingly beset by 1,200 students, over 1,000 of which had been provided with transport to get to the centre.

Glossy brochures abounded; stands displayed large colour

photos of happy, satisfied article clerks; there were ball-point pens bearing firms' names; one stand even offered liquid inducement of Muscadet or Malvern water.

No one nowadays, it seemed, is too grand to go into the market place. Even Clifford Chance, the UK's largest law firm with 195 partners and 549 other legal staff, was there. With a bold poster, it announced itself as "A law firm for the world of business and finance."

Mr Alastair Dawson, Clifford Chance's head of personnel, said before the fair was half over: "We've had so many people wanting to talk to us that we've run out of brochures."

Clifford Chance is looking for about 100 article clerks in

1991-92. At the other end of the scale the five-partner Leeds firm of Shulmans - "A young modern partnership with a commercial outlook" - wants only two.

In a break between chatting to a student, Mr Andrew Bradley said that the Leeds firm's broad base seemed to be an attraction.

The Crown Prosecution Service, which continues to suffer a serious staff shortage, was very happy with the interest being shown in it. Ms Maria Higgins and Mr Brian Carrick said that responses to the fact that the CPS now offered articles, that it had nationwide offices, and that it recognised a career of responsible service, rather than making money for a firm, augured well.

REPORTS BY RAYMOND HUGHES

Solicitors told to improve knowledge of business

SOLICITORS need in-depth knowledge of their business clients' industries if they are to keep up with changes in the marketplace, the Law Society's conference in Harrogate was told yesterday.

Mr Len Brooks, managing director of P.E. Inbucan, also urged legal practices to spend more time, effort and money on management, business and sales training to improve performance as their operations become more competitive.

Mr Brooks said financial control was a weak area among solicitors: "It seems to take some of you far too long to raise invoices and to chase up standing debts."

Chamber on standby to decide spending

By Ralph Atkins

THE "Star Chamber" is thought to be on standby, and may be required to sit before the Government reaches final agreement on its budget for the next financial year.

Mr Tony Newton, the Social Services Secretary, is believed to be near a compromise with the Treasury over his budget for 1990-91. Social Services, the biggest spending government department, had a budget of more than £500m this year.

A settlement would leave only the Transport and Education departments yet to reach agreements. Although both are thought to have made significant progress towards agreement, the Star Chamber is thought to be on standby if agreement is not reached within the next week.

The chamber, which this year will be chaired by Sir Geoffrey Howe, the deputy Prime Minister, is the final arbitrator when the Treasury and departments fail to reach agreement. Reaching agreement with the Treasury over the chamber would boost the standing of Mr Norman Lamont, Chief Secretary to the Treasury.

This year's public spending round has been particularly difficult because of higher-than-forecast inflation and demands for improvements in public services. Officials yesterday thought there was still a high probability that the Star Chamber would be needed.

In a speech yesterday, Mr Newton said spending by his department had risen by a third in real terms in the past ten years. In meetings with the Treasury, Mr Newton is thought to have faced considerable pressure not to prate some official platitudes.

At the department of education remaining stumbling blocks are thought to include spending on polytechnics and universities.

The Government will be keen to keep its total budget for 1990-91 close to the target of about £170bn in order to ensure its anti-inflationary credentials.

VAT shortfall reaches £847m

By Richard Donkin

THE Customs and Excise uncovered £847m of under-declared value added tax during company visits in the last financial year according to its annual report published yesterday.

It says this figure could have been higher, but the department suffered recruitment problems and increasing staff resignations, mainly in the south-east.

Resignations totalled 1,728, including 45 executive officers and 114 higher executive officers. This represented 6 per cent of the department's staff and was an increase of 27 per cent on the previous year.

The report estimates an average loss per VAT officer of £200,000 a year at the higher executive level and £100,000 at executive officer level.

Customs and Excise staff made 460,000 visits to VAT-registered traders over the year, according to the report. Over-declarations totalled £24m.

The department, which cost the taxpayer £508m in the last financial year, drew in £49.7bn for the Treasury during the year - 1 per cent of UK tax revenue.

Net receipts, covering VAT, car tax and duties on tobacco, betting, alcoholic drinks and other commodities, showed a £5,047bn increase on the previous year. VAT net receipts in 1988/89 were £27.2bn.

£ Drugs with a street value of £200 million were seized by Customs officers over the year. The 6,272 seizures compared with 5,241 seizures worth £161m in the previous year.

The number of people arrested for drug offences was 2,519 compared with 2,201 in the last financial year.

UK NEWS

Deal on student loan finance 'near'

By Ivor Owen, Parliamentary Correspondent

NEGOTIATIONS with financial institutions about the Government's scheme for loans to top up student grants were nearing completion, Mr Robert Jackson, a junior education minister, said in the Commons yesterday.

Mr Keith Hampson, Conservative MP for Leeds North-West, warned that the top-up loan scheme would not be seen to be fair unless the repayment provisions were right.

GCSE body warns over national curriculum

By David Thomas, Education Correspondent

MAINTAINING the standards of the General Certificate of Secondary Education examination will be extremely difficult under the latest proposals for the national curriculum, the Government was told yesterday.

Union warns Ford workers against unofficial strikes

By Michael Smith, Labour Staff

UNION LEADERS at the Dagenham plant of Ford have indicated to members that their jobs could be at risk unless they improve their record on unofficial strikes and play a bigger part in improving the quality of the factory's products.

"Too often unconstitutional stoppages have diverted attention from management failure to address problems correctly."

Last of the Guildford Four freed

MR PAUL HILL, the last member of the Guildford Four to be held in custody, was freed yesterday amid emotional scenes at the High Court in Belfast.

Mr Hill, cleared at the Old Bailey on Thursday of the 1974 Guildford and Woolwich pub bombings, was released on £100 personal bail and two sureties of £2,000 each by his uncle and Mr Jeremy Corbyn, the Labour MP for Islington North, pending an appeal against his conviction and life sentence for the murder of a former soldier in Belfast 15 years ago.

He was swept out of the court by friends and relatives after a private meeting with his 14-year-old daughter Cara - born three weeks after he was arrested.

In a hearing lasting less than 10 minutes, Mr Hill, 36, was told by Lord Justice O'Donnell, president of the Court of Appeal, that he was being allowed out because of the "exceptional circumstances" of the case.

Lord Justice O'Donnell, sitting with Lord Justice MacDermott and Mr Justice Nicholson, said they had read a transcript of Thursday's proceedings in the Court of Appeal and would accept an extended time in which to lodge an appeal.

Lawson looks to 158-year-old guru for economic initiative

By Simon Holberton, Economics Staff

IT SEEMS that every one needs a guru. The Prime Minister has Sir Alan Walters, but what of Mr Nigel Lawson, the Chancellor?

Surrounded by the Treasury mandarins, the stormtroopers of Whitehall, Mr Lawson may not feel he needs one. But in his private life, the name of Goschen has begun to appear.

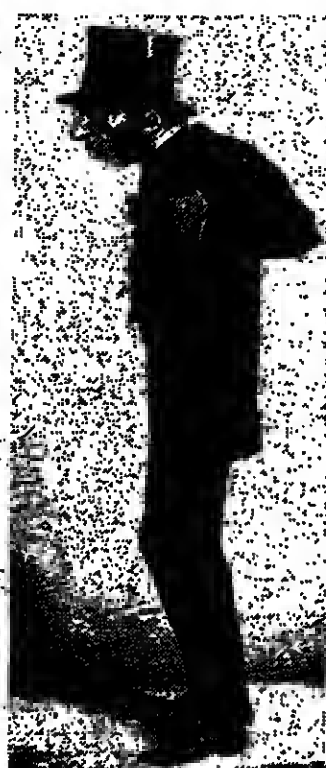
"The most recent citation was on Thursday night at the Mansion House when the Chancellor announced what might be the beginning of the Government's attempt to restrict the national debt."

Viscount George Goschen (1831-1907) was a distinguished Chancellor of the Exchequer in Lord Salisbury's Government.

His political career is remembered chiefly for his conversion and consolidation of the greater part of the national debt in 1888.

He converted £991m of debt, then yielding 3 per cent, to a new 2.75 per cent for the first 14 years and 2.5 per cent thereafter.

Mr Lawson's initiative is more tentative. Couched in terms which appear to provide a ready-made escape if it fails - it is a "modest" and "experimental" venture, the Chancellor said - the Bank of England is offering to convert one UK Government bond, of which there is only one in the market, into another



Goschen: converted the national debt in 1888

much larger issue, of which there is £1.6bn in market hands. If it works the market can expect more such experiments, the cumulative effect of which might be to 'redeem' the gilt-edged securities market into one of fewer but larger issues.

Mr Lawson also shares another interest with Goschen - exchange rates. Goschen's The Theory of Foreign Exchanges (1861) was a standard text on the subject in the latter half of the 19th century.

Goschen had a strong desire to avoid interference in what he called the "natural" workings of the price system. For him the exchange rate was self-adjusting and he believed that in altering its interest rates the Bank should follow the market.

Mr Lawson's attitude to the exchange rate is, however, a little less permissive. He is a believer in exchange rate stability and, on Thursday, reminded the City that the exchange rate is one of the two most important monetary indicators.

Goschen's views on the exchange rate were controversial when he made them - the Bank was then, as now, an manipulator of interest rates - and it is unlikely that Mr Lawson would derive much succour from them now.

In a barely guarded refutation of Sir Alan Walters' known views on the exchange rate, the Chancellor said it was a most important part of the transmission mechanism through which monetary policy affects inflation.

Revenue drive may lock canals into profit

Kevin Brown finds critics fearful of 'naked commercialism' at the Waterways Board

COULD Britain's 2,000 miles of state-owned inland waterways start making a profit, more than 150 years after most of the original owners were forced out of business by the railways?

That is the intriguing prospect raised by changes taking place at the British Waterways Board, the national authority set up in 1963 to manage the 500-year-old system.

Mr David Ingman, the board's chairman, says there have been up to 100 changes in the board's membership since it was set up in 1963 to manage the 500-year-old system.

Mr Ingman makes no secret of his plans to cut costs, maximise revenues, and find ways of operating commercially, even if the final objective remains unclear.

The new approach is being

pushed through by a board composed entirely of businessmen recruited from the private sector for their entrepreneurial skills.

The pace of change has been so fast that Mr Ingman, a former ICI executive, is the longest-serving board member after just two years in office. Senior board level, commercial executives have been brought in to promote development, and the organisation has been split into 26 regional businesses, each of which has been told to find ways of increasing revenue.

The new strategy is split a five-year business plan which calls for a big reduction in the Government's £68m subsidy to the board's £68m running costs, while also providing for increased investment.

The heart of the strategy is to increase the three main

sources of revenue. These are: Freight. British inland waterways have been less successful than their counterparts in continental Europe at maintaining freight traffic because of the short distances involved and the 700-tonne cargo limit on most of the network, compared with 2,500 tonnes on most continental waterways.

Commercial traffic amounted to 4.4m tonnes last year, the highest since 1983, but freight activities lost £24,000 despite the sale of eight loss-making inland storage depots and ship wharves.

Tourism and leisure. Nearly 60,000 boats are licensed to operate on the waterways, and anglers paid more than £90,000 last year for fishing rights. Revenue was £5.4m last year, but could probably be increased by better marketing, and development of more income-generating facilities such as marinas.

Property. Rental and other income from non-operational property rose by nearly £2m last year to £9.6m, and property income will provide much of the capital for future investment.

But the board is not sitting on a fortune in most cases. It owns just the towpaths on one side of its canals and nothing on the other.

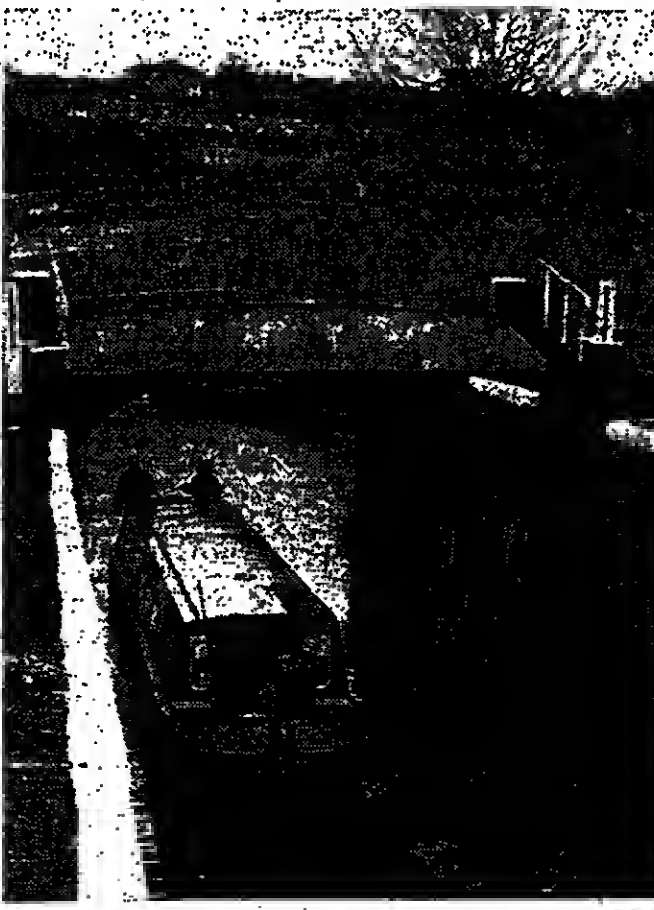
The board's developable land is valued at £271m, and a number of joint venture projects are already under way.

The board also has one or two other sources of income, such as water sales to industrial users, which might be expanded.

But even if last year's total commercial revenue of £20.5m could be doubled, it would not be enough to wipe out the subsidy.

So the real key to profitability could lie in the incidental role of the waterways as an important part of the land drainage system.

Land drainage is of immense importance to farmers, the soon-to-be-privatised water authorities and others, but the board receives no payment for the service, which is regarded as little more than a beneficial by-product.



Water works: a barge on the Kennet and Avon canal

The Government is thought to be sympathetic to this proposal in principle, although there are difficult issues to be resolved, such as identifying exactly who the beneficiaries of drainage are.

Even if a solution to this problem could be found, however, there are a number of serious obstacles to be overcome before the waterways can become a commercial proposition.

The most important is the heavy cost of engineering and maintenance work on the canal system, much of which was not constructed to modern standards, and most of which has suffered from decades of underinvestment.

The board had 61 projects under way last year, with a total value of £24.5m. But the maintenance backlog is estimated at £203m, of which £45m is classed as critical.

There are also serious objections from many waterways staff and independent authorities such as the Association of

Pleasure Craft Operators (APCO) about the apparent replacement of the board's public service ethos with what some regard as naked commercialism.

These fears apply particularly to the board's plans for joint developments on canal-side property, which critics fear would destroy the unique ambience of the waterways.

"We do not want a series of 'Toytown' developments designed to appeal to yuppies, decorated by old gentlemen splicing ropes and old ladies knitting their own underwear," APCO stated recently.

Despite Mr Ingman's denials, critics of the board's strategy will continue to fear that the result will be privatisation.

They may be right. The financial problems facing the waterways are such that the opportunity for a successful flotation is unlikely to arise for several years.

Opencast miners to strike over severance payments

By Our Labour Staff

OVER 1,000 coal workers in South Wales, who are members of the TGWU union, are planning a series of one-day stoppages in a dispute over severance payments.

The workers are planning a mass meeting next Wednesday to draw up a strike strategy after TGWU members in seven opencast sites in the region voted by nearly 70 per cent in favour.

The opencast workers, who are employed by private contractors, are claiming severance payments of £1,000 for every year in the industry. This is similar to that paid to underground miners employed directly by British Coal.

British Coal is warning that any strikes in the sector could put jobs at risk and halt expansion plans.

But local union officials say the ballot result reflects frustration over long-standing grievances.

Mr Phil Shepherd, a TGWU local officer, said yesterday: "The clear message from the ballot is that our members believe we have a just claim... we have spent three years trying to get an improved system but British Coal is just not interested in discussing it."

Opencast mining in South Wales is widely considered to be one of the region's most profitable operations.

However, long-serving opencast workers who are made redundant stand to receive as little as £3,700 compared with the £30,000 paid to miners, according to TGWU officials.

TGWU to step up recognition campaign at Tilbury Docks

By Jimmy Burns

THE TGWU transport union is preparing to step up its campaign to win back recognition at one of Britain's biggest ports after claiming to have won substantial support from the local workforce.

The union is expected to announce on Monday the result of a ballot showing that a majority of the 1,050 workforce at Tilbury Docks has voted in favour of being represented by the TGWU in collective bargaining.

The Port of London Authority, which owns Tilbury Docks, said last night that it believed that less than 10 per cent of the workforce had voted in the ballot and repeated its refusal to recognise the union.

The company has told its customers that it considers its commercial viability largely depends on the radical changes in working arrangements it

has secured since the end of this summer's docks strike.

The TGWU is likely to see the result of the ballot at the one big port which has de-recognised the union as a welcome indicator that its fortunes could be turning for the better after the strike.

According to shop stewards, about 640 employees were targeted at Tilbury in a ballot conducted outside the docks gates. Over 530 registered including former registered dockers, electricians, lock keepers, and PLA staff.

It is thought that PLA had earlier refused a request by the union to hold either a workplace or a postal ballot. Some former registered dockers are believed to have been warned by management that they could be in breach of contract for attending meetings organised by the TGWU in working

Thames TV imposes pay rise on technicians

By John Gapper, Labour Editor

THAMES TELEVISION has imposed an 8 per cent pay rise on its technicians, and told other staff that they have until the end of this month to accept new working arrangements that would cut overtime and bonus payments.

The company's move follows prolonged deadlock over negotiations on new work practices after the break-up of joint national pay bargaining among ITV companies. Most other ITV companies have now reached new agreements.

Thames has imposed a pay increase on members of the ACTT technicians' union. New working arrangements for ACTT members came in earlier this year after the union withdrew from joint national bargaining in July last year.

It has told members of the Beta studio and clerical staff unions, EETPU electricians' union, and NUJ journalists' union that the new working arrangements similar to those in force for ACTT members will be imposed from November 1.

If the unions agree to the new arrangements, an 8 per cent rise on basic pay would be backdated to July 1. The company has said it will not backdate the award if the staff involved fail to agree.

Talks at Thames over the new house agreements have been delayed by the unions' refusal to negotiate separately and the company's insistence on individual talks. The unions have negotiated jointly at other companies.

Mr Mark Stephens, Thames personnel director, said the company had acted to break the deadlock after staff mass meetings voted to back the shop stewards' insistence on joint talks.

Under the new house agreements, Beta and EETPU members would lose the right to be paid for eight-hour work at double time if they work past 1 am. Penalties for not observing 10-hour breaks between shifts would also be removed.

The company is also refusing to increase London weighting payments of £1,537 on the grounds that the end of joint bargaining with the other companies ends the relevance of special London payments.

The ACTT working arrangements were imposed on ACTT members at Teddington in March this year after they voted not to accept them. They were agreed by ACTT members at the company's central London studios.

Monday's ballot result announcement will coincide with the start of an 18-day industrial tribunal hearing of a claim for unfair dismissal by 17 TGWU shop stewards and officials. The case, which will be heard in three sessions between next week and December 1, will revolve around the shop stewards' claim that they were selected for redundancy because of their trade union activities.

A further 100 dockers are preparing claims for unfair selection for dismissal after being sacked during the docks strike.

Since the strike ended on August 7, TGWU membership in the docks industry has been substantially reduced with port employers pushing through redundancies and radical changes to working conditions.

GRANVILLE SPONSORED SECURITIES table with columns for High Low, Company, Price, Change, Gross Div (£), Yield % P/E

IG logo and contact information for Grosvenor Gardens, London SW1W 0BB

FINANCIAL TIMES

NUMBER ONE SOUTHWARK BRIDGE, LONDON SE1 8HL
Telephone: 01-573 3000 Telex: 922186 Fax: 01-407 5700

Saturday October 21 1989

The limits of co-operation

WHAT IS THE connection between Sir Alan Walters' view of the European Monetary System, Mr Alan Greenspan's now notorious speech in Moscow and the stock market crash? Surprisingly perhaps, there is a clear answer to what looks like a trick question. What they share are the problems of international economic cooperation.

Sir Alan Walters believes the EMS is "half-baked." The public comment was unwise, but he is not unique in holding this view, as can be seen from a reading of this year's Winnett Lecture by Professor Deepak Lal. For the liberal economist there are only two fully-baked systems: floating rates, on the one hand and irrevocably fixed rates, on the other. Sir Alan's view that a fully fledged economic and monetary union is far more defensible and, in the right circumstances, workable than the current EMS is not surprising.

No more surprising is the reaction of ministers like Nigel Lawson. They are, quite understandably, piqued by Sir Alan's remarks because they believe he is the court jester, licensed to natter what his mistress thinks, but does not wish to say. But there is substance to their objections as well. At the Mansion House Mr Lawson reiterated his dislike of the EMS and his deep suspicion of EMU as a politician, what he likes about the EMS is precisely that it is half-baked. The EMS provides an opportunity for cooperation, which is good, but it provides an escape as well, which is better.

complaint about the finance ministers' agreement to drive down the dollar. The Japanese banks refuse to participate in the buy-out of United Air Lines. Ergo Tokyo was complaining about the failure of the US to play its part in exchange rate management.

It can be no accident that the proximate cause of the two crashes was the appearance of such conflicts within the G-7. The considerable confusion about what policy makers are up to adds an important additional element to the uncertainty already inherent in the ebb and flow of economic life.

The answer, it would appear, is to eliminate conflicts among policy-makers. Unfortunately they are inescapable. Some times the differing interests and objectives of the G-7 countries coincide both with one another and with the underlying economic pressures. At other times, they do not. This is not surprising when one remembers, for example, that what is regarded as reasonable price stability in the US is viewed as the first step to hyperinflation in West Germany.

Predictable structure

Partisans of the EMS would argue that it provides just the sort of articulated, and so more predictable, structure that the looser G-7 process lacks. This is correct as far as it goes, but it does not go all that far. Serious problems remain, problems that the move to EMU is intended to solve. To take the main current example: there is a growing conflict between the Bundesbank's desire for an appreciation of the D-mark and the desire of almost everyone else to avoid one.

The radical critique of current forms of international economic cooperation carries with it a few central lessons: first, the process of cooperation can have long term effects only to the extent that it changes the nature of the policies. Secondly, one cannot achieve through international sleight of hand what one will not contemplate at home. No magic wand will eliminate the US current account deficit. It will almost certainly require a change in fiscal policy instead.

Finally, a short term tactical agreement will not allow an escape from strategic conflicts. France may now be able to maintain the value of the franc against the D-mark, but not because of a desire for exchange rate stability alone but because she seeks German levels of inflation. In short, cooperation is not the sort of magic pill that will allow policy-makers, suffering from domestic headaches to wake up feeling better in the morning.

Back-biting

If the EMS is half-baked then cooperation among the group of seven industrial countries is quarter baked at best. It is built around a limited number of loose commitments, the most important being to exchange rate management. These commitments are made by policy-makers who have conflicting values, objectives, powers and opportunities. It is a process with limitless potential for back-biting among participants and confusion among onlookers.

This provides the best rational explanation, or at least excuse for the crash on the world's stock markets in October 1987 and the mini-crash of 1989. Interpreting the G-7's objectives requires Kremlinological arts. It is entirely appropriate, therefore, that a comprehensively misinterpreted speech by Mr Greenspan in Moscow should have been a part of the background to Wall Street's collapse.

Mr Greenspan suggested that it was a mistake to uphold inappropriate currency values. Ergo he was offering a coded

It was 36 hours after the earthquake and Mr Morris Weiss, a dapper 65-year-old private investor from Berkeley, was riding into San Francisco to do business.

As the Bay Area Rapid Transit (BART) train pulled out of West Oakland station, Mr Weiss joined the other passengers searching for a glimpse of the collapsed two-tier section of the Nimitz Freeway and the dozens of cars trapped inside. "It's the first time I've ridden BART in years," he said, returning to his seat, "usually I go by car."

Like Mr Weiss, thousands of Bay Area residents have begun to grasp that life in the next few months - maybe years - is going to be very different after the great quake of 1989. Despite the survival of nearly all major structures in the city of San Francisco and a commendable clean-up effort by the public services and private utilities, the long term damage to the regional economy is likely to be substantial (notwithstanding Silicon Valley's seemingly miraculous escape - see below).

Estimates of the cost of repairs in the Bay Area alone run to several billion dollars; the figure climbs even higher when extended to hard hit towns further south of San Francisco such as Los Gatos, Santa Cruz, and Watsonville which were closest to the earthquake's epicentre near the San Andreas fault. "It's the Western version of Hugo," said Mr Richard J Roth Jr, the assistant state insurance commissioner, in a reference to Hurricane Hugo's record \$4bn of damage in South Carolina earlier this year.

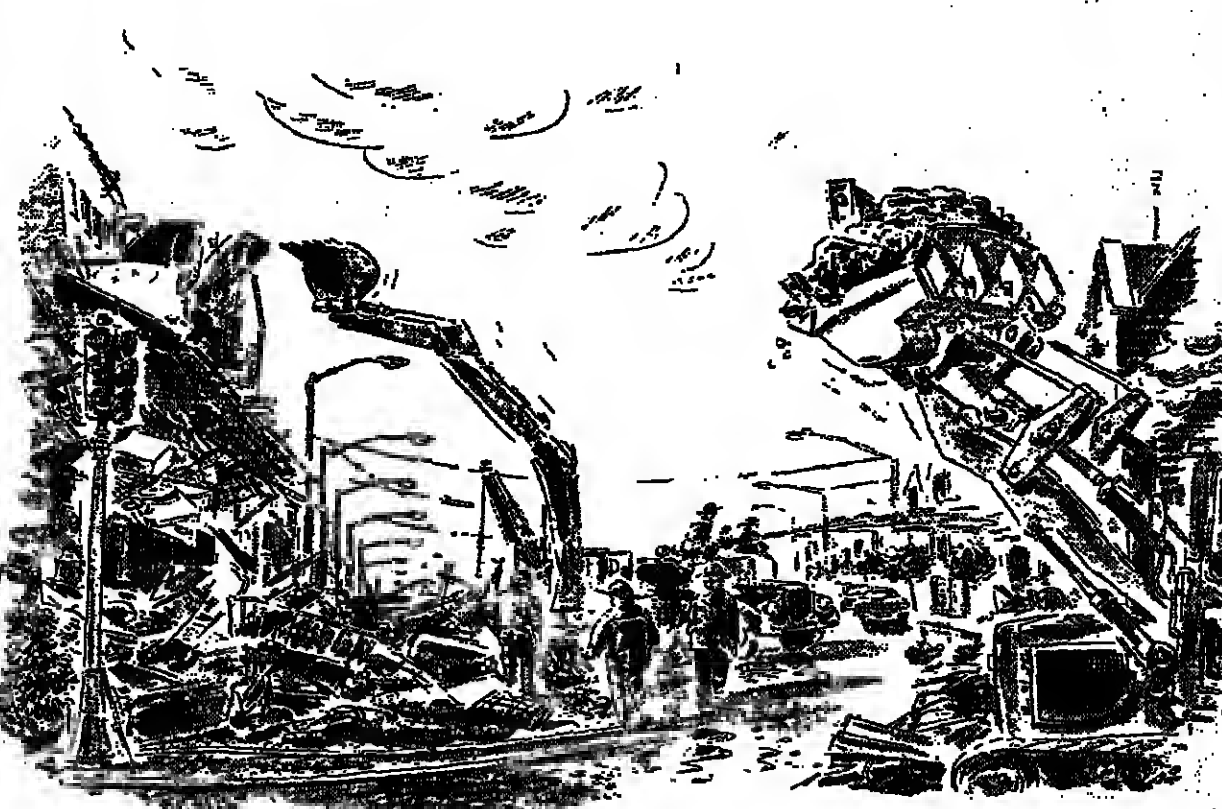
The politicians (including President George Bush who arrived here yesterday) are aware of the stakes involved. Lt Governor Leo McCarthy, running for the governorship next year, did everything this week to stay on camera, even clambering down to inspect the stricken Bay Bridge. His less acrobatic Republican opponent, Senator Pete Wilson, preferred stand-up interviews on network television. The biggest headline snatcher was Mr Art Agnos, the Democrat Mayor of San Francisco who accused Vice President Dan Quayle of snubbing him on visit to the disaster area.

These antics apart, reaction among local politicians has leaned towards boldness. Just 48 hours after the quake struck, Governor George Dukakis raised the prospect of a temporary petrol tax to raise funds for the relief effort. Only the day before, the Republican Governor had declared that the state's \$1bn reserve ought to be adequate and branded Democratic talk of a tax rise as "premature."

Mr Derogian, an old ally of the former California Governor Ronald Reagan, seems to have grasped that federal aid on the scale he needs will not be forthcoming. The Federal Emergency Management Agency criticised for a sluggish response to this year's Alaskan oil spill and Hurricane Hugo is already stretched to the limit. Indeed, President Bush's initial provision of \$270m of aid comes out of the \$1.1bn already approved by Congress for the hurricane clean-up. Finding extra money will force Congress to skirt federal budget deficit limits further.

Thus, this week's earthquake pres-

Lionel Barber reports on how Californians are coping with the effects of the earthquake



'It's going to be a long, cold winter'

ents both a challenge and an opportunity for political leaders in California. On the one hand, they face a population which ever since Proposition 13, the 1970s' tax revolt, has been hostile to raising taxes to improve public services; on the other, they see that an elemental force of nature has sent many citizens into a state of shock. This could mean that the Bay population could be receptive to an active role by the state government in tackling pressing problems.

Even before the quake, the Bay Area's transportation system was in crisis. Daily traffic jams have spell gridlock on the highways and bridges for years. The 15 second tremor, which began at 5:04 pm early on Tuesday evening, snapped a section of the depression-era San Francisco-Oakland Bay Bridge and segments of freeway on both sides. Together these form the main arteries which connect San Francisco to the south and the east.

Some 500,000 vehicles normally cross the Bay Bridge each weekday

Latest official estimates are that the bridge can be back in operation within three weeks, but this looks optimistic. The first clues will come on Monday when many Bay Area commuters venture for the first time back to work. "The transportation problems will continue for some time and will have a major economic impact," said Ms Paula Shultz, deputy director of the Bay Area Regional Earthquake Preparedness Project, a state agency.

However, the overburdened highway system could force car addicts like Mr Weiss to back an expansion of BART, something which public officials have dreamt of for years. It might even guarantee public approval of the area's big transportation programme, which would also be based on a petrol tax increase, and is expected to be voted on next year.

A second concern is that transportation difficulties may encourage Bay residents - who face an average 30-40 minute drive to work - to cut their

looses and move further inland, perhaps to the fast growing area around Sacramento to the north.

Mr Larry Bell, executive vice president of marketing at the Federal Reserve Bank of San Francisco, says some residents are already moving because of surging property prices, summed up by first time buyers having to pay up to \$300,000 for a two bedroom house.

Like numerous Bay residents, Mr Bell is an immigrant. He came to San Francisco from his native Kansas, 30 years ago, in search of opportunity and a better quality of life. "The earthquakes are not going to drive me out," he says, echoing a determination voiced by numerous people. I interviewed this week, the Taiwanese taxi driver, the old Polish army officer from Chicago, and the young lady clairvoyant standing with her Alsatian waiting for the Bay ferry. "I guess you could say I should have seen it coming," she said, "but my precognitive faculties were not work-

ing well."

There has always been a sense of fun in high rolling San Francisco, going back to the days of the Gold Rush in the 1840s when miners used the city as their base. In 1906, when a devastating earthquake struck, the city was packed with opium dens and all-night bars, an atmosphere best captured in the Hollywood movie starring Clark Gable (who fell to his knees in repentance at the end of the film as San Francisco goes up in flames).

Most of the lessons learned after 1906 apply less to morals and more to engineering, primarily the use of shock absorbers in the foundations so buildings can absorb stress. These modern techniques - further strengthened after the heavy San Fernando Valley quake in 1971 - are the main reason why the city's financial district survived with only a few broken windows on Tuesday night, and why an earthquake the strength of last year's tremor in Armenia failed to have the same devastating impact.

The general relief effort in San Francisco has gone smoothly. The tone was set on Tuesday night when police peacefully evacuated more than 60,000 anxious fans at Candlestick Park, where the earthquake struck minutes before one of the games of the baseball World Series between the two local teams, the San Francisco Giants and the Oakland Athletics.

On Thursday afternoon, in the hard hit Marina district, almost 1,000 homeless residents gathered in a schoolyard waiting for news. The atmosphere was full of good humour, helped by orderly queues and a well organised grading of damage and of future access to homes. Just two blocks away from the rubble of several four-storey homes, couples played tennis.

And yet for all the resilience shown by residents, there is a lingering fear about the long term psychological damage. This is difficult to assess at this stage, not least because it often takes more than a week to manifest itself. In purely business terms, its effect is even more difficult to gauge.

Mr Ed Salzman, writing in the Los Angeles Times, warned against complacency. Tourism, which contributes more than \$2.5bn a year to the restaurant-rich San Francisco economy, could be the first to suffer except for voyeurs, tourists could stay away from California in droves, says Mr Salzman. A taxi driver from Texas agrees: "It's going to be a long, cold winter."

Another long term problem for business is the threat of more regulation in the form of stiffer building codes. This is not something some local businesses are likely to take kindly. The collapse of the Santa Cruz shopping mall, costing several hundred million dollars to rebuild, followed sustained resistance by local shop owners to improve the safety of their stores.

But the most intangible risk is the one in the back of every Californian's mind this weekend. They know, because the geologists, the media, and their friends have told them: Tuesday's earthquake was not "The Big One" for which the region has been nervously waiting.

Silicon Valley sighs with relief

"We were lucky," officials at Silicon Valley high technology companies said this week, as they mopped up water from burst pipes and picked up the contents of spilled filing cabinets.

While the world has viewed pictures of death and destruction in San Francisco, just 25 miles to the north, most of the computer and semiconductor companies in this centre of high-tech manufacturing have escaped serious damage.

The region's largest silicon chip makers: Intel, Advanced Micro Devices and National Semiconductor, all resumed operations this week. Other electronics companies with

plants in the area such as IBM and Hewlett-Packard said that they planned to be back in business within a day or two.

There had been fears that a serious earthquake could cause ghostly problems in the Silicon Valley. Most of the region's industrial buildings are pre-fabricated concrete structures that are notoriously prone to collapse in earthquakes.

In the event, however, the buildings stood up to the violent shake.

Tanks containing highly toxic liquids and gases held firm, and the delicate equipment used in the semiconductor manufacturing process emerged unscathed.

Silicon Valley's escape was explained by earthquake experts as a mixture of luck and good judgment. Luck placed the main force of the quake to the north and south of the industrial complex. Efforts to brace buildings undertaken by several companies over the past few years also

seem to have paid off.

But companies will face serious problems in the aftermath of Tuesday's quake. Yet to be assessed is how industry will be affected by the disruption to transport, power and water supplies.

The main freeway arteries through the area are jammed at the best of times. Now they will have to cope with the additional traffic diverted from earthquake-damaged highways to the south and east.

Thousands of Silicon Valley employees may be unable to reach their workplaces. Shipments of supplies into the area and finished products out of it will undoubtedly be delayed. Serious damage at San Francisco and Oakland airports is sure to exacerbate the problems.

In the immediate aftermath of the earthquake, however, Silicon Valley executives, like every other survivor, are just glad to be alive and relieved to see that their factories are still standing. It could have been so much worse.

Louise Kehoe

Among Britain's big investment institutions, the biggest of the lot is the Prudential. Whoever runs its £35bn portfolio is a candidate for the title of the most powerful figure in the City. This week the Pru, in a remarkable break with its conservative traditions, announced that the job has gone to an outsider.

Hugh Jenkins, a 55-year old Welshman, is used to being a power in the markets. Until five years ago he was in charge of another of the UK's investment giants, the Coal Board pension fund. At the time, the fund had a reputation for a social approach to investment - regional help, support for small companies and so forth. The Pru, too, puts unusual emphasis on its wider responsibilities.

But Jenkins, an urbane and self-contained man with only a trace of his native accent, prefers to see himself as a pure investment professional. At the Coal Board, his criterion was very much to maximise returns without any undue regard to the social obligations which the coal industry had inherited.

"Maybe that's putting too hard an edge on it. But if you spoke to either the board of trustees or the pensioners, they'd always be looking for the best return. None of my people would have regarded themselves as performing a social service for the beneficiaries. That way, they did in fact perform the service."

Arthur Scargill, then at the peak of his power at the miners' union, disagreed. The fund, he said, should not invest abroad, nor should it own shares in oil, which competed with coal. The case went to court, giving Jenkins the curious experience of being cross examined by Scargill in a High Court witness box.

Scargill lost and Jenkins left. "It was feeling for an event that it was time for a change. But that coincided with the departure of Joe Gormley and the arrival of Arthur. After ten

MAN IN THE NEWS

Hugh Jenkins
The new man at the Pru with £35bn to invest
By Tony Jackson



years in the job, to walk away would have been an immense disservice: in the event, it took two years and three court cases to see it through."

Jenkins then made what seems to have been the one false step in his career. He moved to California to run the US side of the Heron group, owned by the forceful entrepreneur Gerald Ronson. He was back in less than two years.

"Gerald is one of my very good friends, and throughout the period I worked for him, he was no different. So why leave? "To this day I still love California. But it's 7,500 miles away from London. I used to see all these folk coming from London all my pals and I felt like a remittance man."

And so back to the world he knew this time with a mere £7.5bn to play with as head of investment with Allied Dunbar. The company is, of course, part of BAT. One itches to know what Jenkins on the

way to a job where he can make or break takeovers, thinks of Sir James Goldsmith's attempts to dismember the empire he has left.

Not surprisingly, he will not play ball. But he allows himself some cautious general comments on the junk bond movement. "I ran into Michael Milken for the first time when I was out in California. I remember thinking then what huge scope there would be for unlocking value in the UK if there were only the appetite for fixed interest paper. But UK investors are much more oriented to real assets - equities and property - than to financial assets like cash and fixed interest."

"Our liabilities, especially in the pension funds are open-ended. We've been through the fire with inflation, so our eyes are always fixed on those assets which will produce real returns to match our liabilities. In America, their li-

abilities are of the money purchase type. That's the crux. And so many of the institutions out there are looking for high-yield paper. That was to provide the platform for the corporate raider."

But would it be a bad thing in principle if the UK were to follow the same route? The question, he says, does not arise. "I don't think we'll ever see the development of a major industry over here based on high-yield securities. You have to start from the position that the marketable pool of high yield paper will be very small in the UK, so there aren't principles to be fought over."

In his move to the Pru he is taking over from another figure of legendary power in the City, Mick Newmarch. In another highly unusual step, the Pru has made Newmarch chief executive of the whole organisation, rather than closing a traditional insurance man. "It's certainly inter-

esting", Jenkins observes carefully, "that the investment function has come to the top."

But as a newcomer, will he not be treading on others' toes? "I've known the Pru, or most of the senior managers at any rate, for I'm trying to work out how long it is certainly since 1972. I think I've something to add in terms of value in all-round experience."

One final question comes irresistibly to mind when talking to the country's biggest investor. What does he think of the markets?

"You're bound to end up with volatility spells after a prolonged bull market. But there are many distinctions between now and 1987. To an extent the froth has been blown off, and we're now back to levels which are not out of kilter with some of the fundamentals - things like the yield ratio, for instance. And the institutions have considerable liquidity by comparison with the summer of 1987."

This does not make him a bull. "The fact that earnings will slow down next year will mean a quieter year. In property, again, we've seen some pretty exciting returns; it's now widely accepted that they're going to be much more muted next year."

What about overseas markets? "Japan is an area I now keep a very close eye on, as an opportunity rather than a threat. And Europe's an area which has some good defensive qualities, albeit in fairly thin markets. One obviously has a degree of caution about the UK and Wall Street."

"But overall, I think a lot of people have already done some of their re-adjustments - reducing their weighting in equities in the UK, and allowing the proportion in property to fall. Undoubtedly, cash and fixed interest is higher now. But at some stage or other that money is poised to go back to equities. By my very nature, I want to be in real assets. The things which provide us with protection. Cash is a short-term home."

BARCLAYS HOME MORTGAGE RATE

Barclays Bank PLC announces that on and after 23rd October 1989, Barclays Home Mortgage Rate will be increased from 13.75% to

14.75% per annum



Published by Barclays Bank PLC, Reg. No. 1026167. Reg. Office: 54 Lombard Street, London EC3P 3AB.

UK COMPANY NEWS

SFO to investigate Ferranti fraud

By Terry Dodsworth

THE £185m suspected fraud at Ferranti ISC, one of the largest losses of its kind ever suffered by a UK company, is to be investigated by the Serious Fraud Office.

The SFO, which brings together special investigative teams made up of accountants and legal experts as well as Scotland Yard police officers, said yesterday that it had decided to act after looking at an accountant's report on the alleged fraud.



Derek Ahm-Jones: Welcomed the investigation and has told holders the alleged fraud occurred in only one ISC subsidiary.

Mr Ahm-Jones, who is now on the basis of the Office's decision to take up the investigation. The SFO said last night: "We cannot say how long the investigations will take but we are proceeding with all possible speed on both sides of the Atlantic."

New AFI directors but rebels ignored

By Andrew Hill

Mr JOHN SCHOLLES, beleaguered chairman of Amalgamated Financial Investments, has appointed two new directors to the depleted board of the investment company, after meeting three dissident shareholders and deciding not to invite them on to the board.

"I'm a great believer in compromising if you can," said Mr Scholles yesterday. "The suggestion which emerged was that maybe the board could appoint them [the dissidents] right now and we could all settle down, but I'm afraid I took the view that what I would be settling down to would be a lot of squabbling."

The three shareholders - Mr Richard Wollenberg, Mr Rupert Pearce Gould and Mr Colin Webber - announced in September that they would renew their efforts to join the board at a special meeting after the company's AGM next month.

Mr Scholles declared their original motions of election to the board invalid at a stormy shareholder meeting in August. The two new directors appointed are Mr Robin Andrews and Mr Alexander Devine. Mr Scholles said Mr Andrews was a former stockbroker with De Zoets and then James Capel. Recently he has been specialising in raising money for smaller companies and has "a lot of contacts in the minerals world".

Burmah shares rise 27p after SHV increases stake to 7.5%

By Steven Butler

SHARES OF Burmah Oil, the lubricants group, moved sharply higher yesterday following an announcement that SHV, the private Dutch industrial group, had filed its stake in the company from 6.7 per cent to 7.5 per cent.

Burmah simultaneously issued a denial that any deal was in the works but appeared increasingly concerned about the possible intentions of the Dutch group. "Burmah emphasises that no discussions are taking place with SHV and that no deal of any nature is in contemplation," a statement said.

Burmah said the statement was issued in order to quash rumours in the market that Burmah and SHV were working on a deal involving calor gas, the bottled gas company, and Premier Consolidated Oilfields, the independent oil company.

Burmah and SHV had proposed a joint bid for calor in 1987, although the bid did not proceed because the calor board did not endorse it. SHV subsequently acquired a 44 per cent stake in calor. It came to light in August that SHV held a 4.9 per cent stake in Burmah, prompting speculation that SHV would wish to trade its stake in SHV for a controlling interest in Burmah.

long-term holding of the shares. SHV is also understood to own 3 to 4 per cent of Premier, and has expressed interest in expanding its oil exploration and production portfolio. Although few analysts expect a hostile bid against Burmah by SHV, many now believe that SHV may wish to establish a controlling interest in the company. The shares which contributed to the increased holding announced yesterday were purchased one week ago, and there is speculation that SHV may have purchased more shares this week.

Shares of Burmah, calor, and Premier all rose yesterday. Burmah closed up 27p at 689p; calor up 20p at 450p; and Premier up 9p at 108p.

ing on a deal involving calor gas, the bottled gas company, and Premier Consolidated Oilfields, the independent oil company. Burmah and SHV had proposed a joint bid for calor in 1987, although the bid did not proceed because the calor board did not endorse it. SHV subsequently acquired a 44 per cent stake in calor. It came to light in August that SHV held a 4.9 per cent stake in Burmah, prompting speculation that SHV would wish to trade its stake in SHV for a controlling interest in Burmah.

Burmah said the statement was issued in order to quash rumours in the market that Burmah and SHV were working on a deal involving calor gas, the bottled gas company, and Premier Consolidated Oilfields, the independent oil company. Burmah and SHV had proposed a joint bid for calor in 1987, although the bid did not proceed because the calor board did not endorse it. SHV subsequently acquired a 44 per cent stake in calor. It came to light in August that SHV held a 4.9 per cent stake in Burmah, prompting speculation that SHV would wish to trade its stake in SHV for a controlling interest in Burmah.

Meggitt extends bid for USH

By Jane Fuller

MEGGITT, the specialist engineering group, yesterday extended its hostile bid for United Scientific Holdings to October 31 after raising its interest in the defence contractor to 15.4 per cent.

Mr Ken Coates, Meggitt's managing director, said he was pleased with the further 5.2 per cent in acceptances accumulated between October 15 and 19, "considering the state of the market in a week when most institutions were focusing on other things."

USH dismissed the increase in the level of acceptances by ordinary shareholders as small and that in the level of preference shares as negligible. Acceptances on the latter stood at 6.5 per cent on October 19. Mr John Robertshaw, USH's chairman, said: "In spite of the volatile market conditions earlier this week, we are pleased that the holders of the great majority of United Scientific Holdings shares continue to reject Meggitt's unsatisfactory offer."

With Meggitt's shares falling 1p to 94p yesterday, the partial cash alternative values each USH share at 146p, against a market price up 1p at 139p. At 129p, the all-share bid still lagged behind the target's market price. In total, the offers are worth £111m and £88m respectively. Mr Ken Coates, Meggitt's managing director, said he was pleased with the further 5.2 per cent in acceptances accumulated between October 15 and 19, "considering the state of the market in a week when most institutions were focusing on other things."

USH dismissed the increase in the level of acceptances by ordinary shareholders as small and that in the level of preference shares as negligible. Acceptances on the latter stood at 6.5 per cent on October 19. Mr John Robertshaw, USH's chairman, said: "In spite of the volatile market conditions earlier this week, we are pleased that the holders of the great majority of United Scientific Holdings shares continue to reject Meggitt's unsatisfactory offer."

USH dismissed the increase in the level of acceptances by ordinary shareholders as small and that in the level of preference shares as negligible. Acceptances on the latter stood at 6.5 per cent on October 19. Mr John Robertshaw, USH's chairman, said: "In spite of the volatile market conditions earlier this week, we are pleased that the holders of the great majority of United Scientific Holdings shares continue to reject Meggitt's unsatisfactory offer."

USH dismissed the increase in the level of acceptances by ordinary shareholders as small and that in the level of preference shares as negligible. Acceptances on the latter stood at 6.5 per cent on October 19. Mr John Robertshaw, USH's chairman, said: "In spite of the volatile market conditions earlier this week, we are pleased that the holders of the great majority of United Scientific Holdings shares continue to reject Meggitt's unsatisfactory offer."

USH dismissed the increase in the level of acceptances by ordinary shareholders as small and that in the level of preference shares as negligible. Acceptances on the latter stood at 6.5 per cent on October 19. Mr John Robertshaw, USH's chairman, said: "In spite of the volatile market conditions earlier this week, we are pleased that the holders of the great majority of United Scientific Holdings shares continue to reject Meggitt's unsatisfactory offer."

USH dismissed the increase in the level of acceptances by ordinary shareholders as small and that in the level of preference shares as negligible. Acceptances on the latter stood at 6.5 per cent on October 19. Mr John Robertshaw, USH's chairman, said: "In spite of the volatile market conditions earlier this week, we are pleased that the holders of the great majority of United Scientific Holdings shares continue to reject Meggitt's unsatisfactory offer."

USH dismissed the increase in the level of acceptances by ordinary shareholders as small and that in the level of preference shares as negligible. Acceptances on the latter stood at 6.5 per cent on October 19. Mr John Robertshaw, USH's chairman, said: "In spite of the volatile market conditions earlier this week, we are pleased that the holders of the great majority of United Scientific Holdings shares continue to reject Meggitt's unsatisfactory offer."

USH dismissed the increase in the level of acceptances by ordinary shareholders as small and that in the level of preference shares as negligible. Acceptances on the latter stood at 6.5 per cent on October 19. Mr John Robertshaw, USH's chairman, said: "In spite of the volatile market conditions earlier this week, we are pleased that the holders of the great majority of United Scientific Holdings shares continue to reject Meggitt's unsatisfactory offer."

USH dismissed the increase in the level of acceptances by ordinary shareholders as small and that in the level of preference shares as negligible. Acceptances on the latter stood at 6.5 per cent on October 19. Mr John Robertshaw, USH's chairman, said: "In spite of the volatile market conditions earlier this week, we are pleased that the holders of the great majority of United Scientific Holdings shares continue to reject Meggitt's unsatisfactory offer."

Pembridge backer moves its holding

ONE OF THE French shareholders in Mr Roland Franklin's Pembridge Investments, the hostile bidder for DRG, the paper and packaging group, is passing on its shares to another of the investors, writes Clare Pearson.

CICLAD Investments said yesterday it was in the process of passing on its shareholding, worth £500,000, in Pembridge, a Bermuda vehicle set up to launch the £87m cash bid.

M Jean Francois Vauzy, a director of CICLAD said yesterday it had decided to sell because it had received an offer from another shareholder. Mr Franklin said he believed CICLAD was passing the shares to IDI, the French venture capital group which is one of his biggest shareholders. He thought this was "merely for internal administrative reasons."

CICLAD provided only a small part of Pembridge's share capital, totalling £130m.

TI pays £13m for US company

By Andrew Hill

TI GROUP, the specialist engineering company, is to buy a private US manufacturer of rigid tubular assemblies for about £13m, including the assumption of debt.

The company is Lewis and Saunders, which makes tubular assemblies from titanium and alloy steels. The tubes are used to carry fluids in high performance structures such as aircraft jet engines and turbines.

In the year to September 1988, Lewis and Saunders, which is based in New Hampshire and employs 275 people, returned sales of about £10m.

TI said the acquisition would fit in with its own Titeflex flexible tubing business in North America. It announced at the beginning of the year that it had decided to retain Titeflex's plastic tubing operation, although it has been selling off its other performance plastics interests.

The group said yesterday that Lewis and Saunders and Titeflex would develop new hybrid rigid and flexible products. It added that the combined businesses would be developed internationally.

had decided to retain Titeflex's plastic tubing operation, although it has been selling off its other performance plastics interests. The group said yesterday that Lewis and Saunders and Titeflex would develop new hybrid rigid and flexible products. It added that the combined businesses would be developed internationally.

had decided to retain Titeflex's plastic tubing operation, although it has been selling off its other performance plastics interests. The group said yesterday that Lewis and Saunders and Titeflex would develop new hybrid rigid and flexible products. It added that the combined businesses would be developed internationally.

had decided to retain Titeflex's plastic tubing operation, although it has been selling off its other performance plastics interests. The group said yesterday that Lewis and Saunders and Titeflex would develop new hybrid rigid and flexible products. It added that the combined businesses would be developed internationally.

had decided to retain Titeflex's plastic tubing operation, although it has been selling off its other performance plastics interests. The group said yesterday that Lewis and Saunders and Titeflex would develop new hybrid rigid and flexible products. It added that the combined businesses would be developed internationally.

had decided to retain Titeflex's plastic tubing operation, although it has been selling off its other performance plastics interests. The group said yesterday that Lewis and Saunders and Titeflex would develop new hybrid rigid and flexible products. It added that the combined businesses would be developed internationally.

had decided to retain Titeflex's plastic tubing operation, although it has been selling off its other performance plastics interests. The group said yesterday that Lewis and Saunders and Titeflex would develop new hybrid rigid and flexible products. It added that the combined businesses would be developed internationally.

had decided to retain Titeflex's plastic tubing operation, although it has been selling off its other performance plastics interests. The group said yesterday that Lewis and Saunders and Titeflex would develop new hybrid rigid and flexible products. It added that the combined businesses would be developed internationally.

German tyre maker lifts its holding in Kwik-Fit

By Clare Pearson

CONTINENTAL, the West German tyre manufacturer, has been buying more shares in Kwik-Fit Holdings, lifting its stake from 10 to 13.3 per cent.

Continental acquired its original stake in September. Directors of Kwik-Fit, which is the UK's biggest remaining independent tyre distributor, could not be reached for comment yesterday. Yesterday's announcement followed speculation that Continental was buying again. Kwik-Fit's shares shed only 2.1

percent of their value to close at 135p in Monday's falling stock market. Yesterday the shares closed at 141p, up 1p on the day. The share buying has been seen as an attempt to gain marketing leverage in the UK tyre market rather than as a takeover move. Mr Tom Farmer, Kwik-Fit's chairman, has said that he does not regard the company as for sale. Kwik-Fit announced a fall in interim pre-tax profits to £9.62m (£9.53m) a month ago.

percent of their value to close at 135p in Monday's falling stock market. Yesterday the shares closed at 141p, up 1p on the day. The share buying has been seen as an attempt to gain marketing leverage in the UK tyre market rather than as a takeover move. Mr Tom Farmer, Kwik-Fit's chairman, has said that he does not regard the company as for sale. Kwik-Fit announced a fall in interim pre-tax profits to £9.62m (£9.53m) a month ago.

Euro Disneyland offer is fully subscribed

By Clare Pearson

THE £67m offer for sale of Euro Disneyland has been fully subscribed, S.G. Warburg Securities, lead manager for the non-French portion of the £800m European equity issue, announced yesterday.

Warburg said the basis of allocation in the UK offer, which it is understood has been more than fully taken up, will be announced today. Because of domestic regulations, the UK part of the share sale was kept open after its closure last week in other European centres in the face of extremely strong demand. The offer is of shares in the operating company for the theme park being constructed by Walt Disney outside Paris. Allocations are likely to be weighted in favour of applicants for smaller quantities of shares.

Hot air stifles decisions at rocky Rock meeting

By John Riddling

SHAREHOLDERS in Rock, a small London-based component distribution group, yesterday endured a packed and sweating extraordinary meeting but failed to resolve the battle for control of their company which has become increasingly embroiled in legal arguments and technicalities. The audience of about 100, more than 10 times larger than the number at Rock's last annual meeting, had been called to vote on proposals which could have given control of the company to a group of dissident investors. But having assembled, shareholders were informed by Mr Oswald Dockery, chairman, that motions calling for the appointment of the four dissident shareholders to the board were invalid under the company's articles of association. Although a poll is being held on the proposals, he said that any result would be merely "symbolic". The other proposal, that Mr Robert Justice be removed as a non-executive director, also went to a poll. But Rock said the results of the various votes would not be known for up to a week because of the number of letters it had received revoking previous proxies.

Casket drops final as losses emerge

By Peter Pearce

CASKET, the Manchester-based clothing maker and distributor, showed losses of £1.7m in the second half of 1988/89 cutting the pre-tax profit from £3.44m to £229,000 for the year ended June 30. Mr Vy Menon, chief executive, said that the main problems were the absence of cold winter weather and high interest rates. There is no final dividend so the interim paid of 1.2p compares with last year's total of 2p. The shares shed 2p to 50p. Although problems at Kingsley & Forester Group, the toys, hardware and clothing company bought in late 1987, depressed Casket's pre-tax profits in the year to June 30 by some £1m, Mr Menon stressed that the "poor performance" this time owed little to the ill-starred Kingsley acquisition. Casket is currently seeking £12m in damages - one of the largest of such claims in British legal history - against five former directors of Kingsley. Mr Menon, however, did say that both the houseware and the toys wholesaling divisions had been closed, contributing to an extraordinary charge of £507,000 (£383,000), but maintained that Kingsley's leisurewear division and Townsend Cycles, its bicycle manufacturing arm, had prospered. Mr Menon attributed Casket's downturn to the "lack of winter" and the rise in base rates. He said that Casket Ltd, which makes padded and quilted products, had been "the biggest troublemaker" and that the clearance by retailers, below cost, of unsold Casket's stocks had eaten into profits. Where usually one might expect up to eight months of

GrandMet in £46m venture

By Lisa Wood

EXPRESS DAIRIES, a subsidiary of Grand Metropolitan, has made a joint £46.8m (£41.97m) bid with Waterford Co-operative Society for Premier Tír Leighean Society, the Irish milk processor. The bid, which has received the approval of PTL's board, also includes a five-year option to purchase up to 945,320 of GrandMet's ordinary shares at 158.00 each. GrandMet said that in seeking the 50 per cent stake it was looking to secure the cream for its Bailey's Original Irish Cream liqueur at a time of milk quotas and restructuring in the European dairy industry. PTL, the dominant milk supplier in the Dublin area, has been supplying cream for Bailey's for some time. Burns Anderson in £1.6m acquisition

Leading Leisure disposes of assets

Leading Leisure has made several assets disposals to reduce borrowings and enable it to concentrate on leisure and property activities. Six public houses and discotheques are being sold to Midsummer Leisure for £6.2m, and the egg farming subsidiary has been disposed of to a joint venture, in which Leading Leisure retains an interest. Two other discotheques in Birmingham and Southend will be disposed of at a later date. The disposals, as well as the sale of property holdings, will result in a "significant reduction in gearing over the next three months", the directors said.

Table with 5 columns: Company, Current payment, Date of payment, Corres. Dividend, Total for last year. Includes Casket, CDFC Trust, Eastern Production, English Int Tel, SPS Consult.

Table with 5 columns: Issue, Amount, Latest, High, Low, Stock, Closing Price. Includes British Airways, British Airways, British Airways, British Airways, British Airways.

Table with 5 columns: Issue, Amount, Latest, High, Low, Stock, Closing Price. Includes British Airways, British Airways, British Airways, British Airways, British Airways.

Table with 5 columns: Issue, Amount, Latest, High, Low, Stock, Closing Price. Includes British Airways, British Airways, British Airways, British Airways, British Airways.

Table with 5 columns: Issue, Amount, Latest, High, Low, Stock, Closing Price. Includes British Airways, British Airways, British Airways, British Airways, British Airways.

Table with 5 columns: Issue, Amount, Latest, High, Low, Stock, Closing Price. Includes British Airways, British Airways, British Airways, British Airways, British Airways.

Table with 5 columns: Issue, Amount, Latest, High, Low, Stock, Closing Price. Includes British Airways, British Airways, British Airways, British Airways, British Airways.

Dividends Announced

Table with 5 columns: Company, Current payment, Date of payment, Corres. Dividend, Total for last year.

London Recent Issues

Table with 5 columns: Issue, Amount, Latest, High, Low, Stock, Closing Price.

Fixed Interest Stocks

Table with 5 columns: Issue, Amount, Latest, High, Low, Stock, Closing Price.

Rights Offers

Table with 5 columns: Issue, Amount, Latest, High, Low, Stock, Closing Price.

Traditional Options

Table with 5 columns: Issue, Amount, Latest, High, Low, Stock, Closing Price.

News Digest

GrandMet in £46m venture

Burns Anderson in £1.6m acquisition

Leading Leisure disposes of assets

Hot air stifles decisions at rocky Rock meeting

Casket drops final as losses emerge

German tyre maker lifts its holding in Kwik-Fit

Euro Disneyland offer is fully subscribed

TI pays £13m for US company

Pembridge backer moves its holding

SFO to investigate Ferranti fraud

New AFI directors but rebels ignored

Burmah shares rise 27p after SHV increases stake to 7.5%

Meggitt extends bid for USH

GrandMet in £46m venture

Burns Anderson in £1.6m acquisition

Leading Leisure disposes of assets

Hot air stifles decisions at rocky Rock meeting

International Capital Markets

The Financial Times proposes to publish this survey on:

14th NOVEMBER 1989

For a full editorial synopsis and advertisement details, please contact:

DAVID REED on 01-873 3461

or write to him at: Number One Southwark Bridge London SE1 9HL

INTERNATIONAL ADVERTISING

The Financial Times proposes to publish this Survey on

4 DECEMBER 1989

For a full editorial synopsis and advertisement details, please contact:

NEVILLE WOODCOCK on 01-873 3365

or write to him at: Number One, Southwark Bridge London SE1 9HL

FINANCIAL TIMES

INTERNATIONAL ADVERTISING

The Financial Times proposes to publish this Survey on

4 DECEMBER 1989

For a full editorial synopsis and advertisement details, please contact:

NEVILLE WOODCOCK on 01-873 3365

or write to him at: Number One, Southwark Bridge London SE1 9HL

FINANCIAL TIMES

The Financial Times proposes to publish this Survey on

4 DECEMBER 1989

For a full editorial synopsis and advertisement details, please contact:

NEVILLE WOODCOCK on 01-873 3365

or write to him at: Number One, Southwark Bridge London SE1 9HL

FINANCIAL TIMES

The Financial Times proposes to publish this Survey on

MARKET STATISTICS

ECONOMIC DIARY

TODAY: International AIDS Conference opens in San Marino (until October 24). General strike in Israel-occupied territories...

EUROPEAN OPTIONS EXCHANGE

Table with columns for Series, Nov 89, Dec 89, Jan 90, Feb 90, Mar 90, Stock. Lists various options and their prices.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table of Equity Groups and Sub-sections with columns for Index No., Day's Change, etc. Lists various financial indices.

FIXED INTEREST

Table of Fixed Interest with columns for Price Indices, Day's Change, etc. Lists interest rates and yields.

Table of Average Gross Redemption Yields with columns for British Government, Inflation rate, etc. Lists yields for various instruments.

BANK RETURN

Table of Bank Return with columns for Banking Department, Assets, Liabilities, etc. Lists bank performance metrics.

BASE LENDING RATES

Table of Base Lending Rates with columns for Bank Name, Rate, etc. Lists rates for various banks.

FINANCIAL ADVISER THE PAPER OF RECORD FOR FINANCIAL SERVICES PROFESSIONALS CAN YOU AFFORD TO MISS NEXT WEEK'S ISSUE?

ALBERT FISHER Yet another record year Five year record of pre-tax profit in £ millions

PLASTIC CARDS The Financial Times proposes to publish this survey on: 6TH DECEMBER 1989

THE INTERNATIONAL DRINKS INDUSTRY The Financial Times proposes to publish this survey on: 22nd November 1989

INTERNATIONAL COMPANIES AND FINANCE

US associate of Quintex files for bankruptcy

By Karen Zagor in New York

QUINTEX ENTERTAINMENT, a US affiliate of an Australian company which tried to take over the MGM/UA film and television group, yesterday filed for bankruptcy protection, raising concerns about the future of its parent.

The US company, which specialises in adding colour to black and white films, said it had filed for protection under Chapter 11 of the federal bankruptcy code for itself and its two subsidiaries, Hal Roach Studios and Quintex Productions. In addition, its chief executive and a member of its board resigned.

Quintex Entertainment, 43 per cent owned by the Quintex Australia media group, said the bankruptcy filing came after the group failed to raise just \$5.9m to meet a deadline on Thursday for a payment-on-distribution agreement with MCA, another Hollywood studio group. Quintex Entertainment said it relied on Quintex Australia for its working capital but neither company had been able to persuade a lender to put up the money.

"Failure to make this payment might have resulted in the loss of valuable assets of Quintex Entertainment, and additionally may have triggered acceleration clauses under other debt agreements of Quintex Entertainment," the Beverly Hills, California company said.

An agreement by the Australian parent to acquire MGM/UA broke down last week when the company was unable

BP sells Australian interests for \$275m

By Chris Sherwell in Sydney

BRITISH PETROLEUM launched the divestment of its worldwide coal interests yesterday, with the US\$275m cash sale of its Australian interests to CRA, the Melbourne-based mining group.

CRA, one of Australia's largest mining companies, is the 49 per cent-owned affiliate of RTZ of the UK, to which BP earlier sold its minerals interests for \$2.4bn (US\$3.83bn).

According to a joint announcement, BP and CRA have signed a definitive agreement for the sale of BP Australia's three wholly-owned mines in New South Wales and have agreed in principle for CRA to acquire the joint venture interests subject to pre-emption rights of BP's partners.

The deal gives CRA the Tahmoor underground mine south-west of Sydney, which produces coking coal, the Howick open-cut steaming coal mine in the Hunter Valley north of Sydney, and the small Western Main steaming coal mine.

The joint ventures are the Clarence Colliery in New South Wales and the Winchester South exploration project in Queensland. BP Australia's total annual production in recent years has been 5.5m to 6.5m tonnes, about 60 per cent of it steaming coal.

Mr John Ralph, CRA managing director, said the purchase would strengthen the group's base in mining. CRA's businesses include Pacific Coal, the 18m tonne-per-year steaming coal operation in Queensland, and Kembla Coal & Coke, which has three underground coking coal mines in New South Wales.

CRA added that it was considering a proposition under which the essence of its operations would be sold to a 40 per cent interest in the Howick mine, leaving it with the remaining 60 per cent and management responsibility.

BP unveiled its plan to sell its coal interests in mid-June, and yesterday's agreement, concluded in the US, marked the first step in its implementation. Completion is scheduled for end-November, subject to government approvals.

BP's disposal of its mineral and coal interests represents a major strategic move, by Britain's largest company to concentrate on its core business of oil.

The only hitch remaining in its minerals sale to RTZ is the disposal of the Olympic Dam copper, uranium, gold and silver mine at Roxby Downs in South Australia, where Western Mining has pre-emptive rights over BP's 49 per cent holding.

American Airlines charts a European course US carriers' expansion moves into the EC are causing concern, Paul Betts reports

Now that Mr Donald Trump has dropped, for the time being at least, his hostile \$7.1bn takeover bid for American Airlines, the US carrier is concentrating all its forces again on the aggressive expansionary strategy which has transformed it in the last five years into the western world's largest airline.

"Europe continues to be our main target. By next month we will be serving 14 destinations in western Europe and we want to double that number by 1992," said Mr Conrad Jacoby, the company's new vice president for Europe. "But we are also looking towards some expansion in the Pacific and we have already made filings for a number of cities in South America."

"We would also like to go to eastern Europe and we are looking at Budapest, Warsaw and Moscow," added the former Pan Am executive who joined American this summer.

Of all the US carriers, American Airlines is regarded by European national airlines as probably the biggest threat on the North Atlantic market. Although Pan Am and TWA still have a bigger share of the overall transatlantic passenger market than American, its current strategy of attacking Europe from all sides from a particularly strong US domestic base has sent shock waves in the European airline industry.

Mr Jacoby makes no secret that one of the main reasons for American's current blitz on Europe is to position the car-

rier in as many places as possible before the European single market of 1992. Almost all the major cities of Europe are on American's hit list. "By 1992 we want to serve most European destinations because we feel Europe might become a freer market within the EC but there might also be a frontier Europe making it more difficult for us to enter the Community market after 1992," he explained.

European national carriers are already lobbying hard their governments to try to stall the current expansionary moves by US airlines into the Community at the same time as demanding greater access for European airlines into the US market.

Indeed, European airlines have long argued that the current expansionary moves by US airlines into the Community at the same time as demanding greater access for European airlines into the US market.

Others, like British Airways, SAS, KLM and Swissair, have also been attempting to forge shareholding ties with US airline partners in an effort to gain a bigger foothold in the US market.

American Airlines' recent foray into the European market offers a key insight into why European airlines are now scrambling to form partnerships and boost the overall size of their operations. American's fleet will total 630 aircraft by the end of this year and grow



Conrad Jacoby: concentrating on aggressive expansion

to 642 by the end of 1994. And this does not include the 300 aircraft operated by the carrier's American Eagle subsidiary, which concentrates on short-haul US routes.

By comparison, an airline like Lufthansa, which has been discussing a possible marketing agreement with American, plans to increase its current fleet of 183 aircraft to 237 by 1996 and to about 350 by the end of the century.

Moreover, the European airlines have also been losing out to US carriers during the last three years on the North Atlantic. A recent Rolls-Royce airline market study shows that during this period there has been a surge in westbound traffic and a decline of North American residents visiting Europe.

But although the European airlines would be expected to have taken advantage of this

trend, the US carriers have generally benefited most from the growth in this market, largely as a result of aggressive frequency-led capacity expansion. US carriers like American have also focused on secondary gateways on both sides of the Atlantic using smaller extended-range twin-engine aircraft like the Boeing 767 rather than Boeing 747 jumbos.

"Using 767 extended-range jetliners has been very efficient because of the size of the aircraft. We can serve a lot of destinations non-stop and we can build up frequency with these aircraft which you could not do with the big 747," said Mr Jacoby.

American's European routes fly at present from four US hubs including Dallas-Fort Worth, Chicago, Raleigh-Durham, and John F. Kennedy in New York. "At Dallas, our passengers from Europe have an incredible selection of connections since we fly our daily nonstop flights out of that airport," he said. "The company plans to develop a new hub at Miami."

The 767 extended-range aircraft with seating capacity of between 174 and 216 has also enabled American to open services to new destinations in Europe. The airline has now direct access to the US. The carrier now flies a non-stop service from Manchester to Chicago and recently started a service from Lyon to New York.

"We are looking for new places in Europe where national carriers are not going

for whatever reason they may have," said Mr Jacoby, adding that Manchester had turned out to be the company's biggest European success story. American would now like to fly additional services from the city.

But its application has been bogged down in US-UK bilateral air traffic negotiations, with the UK insisting on greater access for UK airlines into the US before granting new rights for US carriers to fly into Manchester.

Indeed, American retaliated last week by pressing the US authorities just before the Wall Street share market collapse not to grant approval for WAT's planned stake in United Airlines, the second largest US carrier, before securing changes from London in the bilateral air transport agreement.

Mr Jacoby also confirmed that American Airlines and its tough-minded chairman, Mr Robert Crandall, intended to pursue the carrier's "go-it-alone" policy.

"We have long had marketing agreements with other airlines and we will clearly continue to do so. But all this shake-up appears a big puzzle to us," said Mr Jacoby. "One of our differentiating ourselves from other US carriers has been successful so far. Why change it?" he asked.

That may well be sound, at least until Mr Trump or some other unwelcome raider decides to try another shot at the airline when the dust settles on Wall Street.

Apple ends year with advance to \$161.1m

By Martin Dickson in New York

APPLE COMPUTER, which had its earnings squeezed over the past year by high components costs, has reported a fourth-quarter improvement in profit margin and said it expected this to produce greater profitability in 1990.

Net income was \$161.1m in the quarter, but that included a \$94m one-time gain from the sale of its stake in Adobe Systems, the software business. Stripping that out, profits from operations were \$113.1m compared with \$107.9m a year earlier, on sales up 18 per cent at \$1.38bn.

Earnings per share, excluding 37 cents from Adobe, were 87 cents against 84 cents.

Full-year sales rose 30 per cent to \$5.29bn. Net income, including the Adobe sale,

totalled \$454m against \$400.3m. Earnings were \$3.53 a share against \$3.08 the previous year.

High components costs, particularly for dynamic random access memory chips squeezed profit margins for much of the year, and in the second quarter it suffered a drop in year-on-year earnings.

But Mr John Sculley, chairman, said the pressure on margins had now subsided and in the fourth quarter there was a year-on-year improvement in the gross margin for the first time in the financial year.

"We believe fiscal 1990 will be another year of significant revenue growth. We also expect that our profitability will continue to improve largely as a result of better gross margins," he said.

Bond Corp squares up to harsh reality

Chris Sherwell on fundamental changes in structure and direction of the diverse Australian group, reflected in its massive slide into loss

If there was a single statement from Bond Corporation yesterday which captured the essence of its breathtaking losses, it was this: "In the long-term interests of the group as a whole, some harsh but imperative steps had to be taken during the year, and these have been reflected in these results."

The figures showed an operating loss after tax of A\$814.1m (US\$636m) for the year to June - a massive slide from the previous year's A\$354.7m profit - and an extraordinary loss of A\$188m.

These were suffered in spite of a 68 per cent jump in sales revenues to A\$3.48bn. The 58 per cent-owned Bell Resources contributed to the flow of red ink with an attributable loss of A\$383m for the six months to June. Bell Group, which is 70 per cent owned, posted a loss for the year of A\$272m. Only the small J.N. Taylor reported a profit, of A\$15m.

A breakdown of the Bond

Bond Corp squares up to harsh reality

Chris Sherwell on fundamental changes in structure and direction of the diverse Australian group, reflected in its massive slide into loss

Corp figures showed declines in profit before interest and tax of 50 per cent in the brewing operation (to A\$123m) and 70 per cent in the resources division (to A\$8m), while gains were shown in the media business (rising to A\$175m) and property (up 9 per cent to A\$94.4m).

But the biggest losses came in the corporate division: totalling A\$688m, they comprised large provisions in Bond and Bell Resources for diminutions in value, losses incurred on shares, options and notes in listed public companies, and provisions for bad and doubtful debts.

Interest expenses were A\$67m, up sharply from the previous year's A\$37m, and these pushed the pre-tax loss to A\$819m. A further decision not to recognise tax benefits of more than A\$450m meant that this was only cut back to A\$369m or A\$314m after imputation. Another A\$166m in extra-

Bond Corp squares up to harsh reality

Chris Sherwell on fundamental changes in structure and direction of the diverse Australian group, reflected in its massive slide into loss

ordinary items consisted of the write-off of non-recoverable goodwill relating primarily to the costs involved in acquiring Bell Group and Bell Resources.

That deal, in March 1988, as reported by independent analysts as the single most costly transaction undertaken by Mr Bond - more important than his abortive assault on Lloyds, the international trading conglomerate.

Another feature of the results is the group's admission that the auditors are dissatisfied with its decision not to make provisions against the A\$71m value of its television licenses, its A\$250m investment in a petrochemical plant, the question of a provision for the SGC indemnity and its A\$200m investment in British Satellite Broadcasting.

Bond openly acknowledged that its rapid growth between 1985 and 1988 was substantially financed by debt. It admits an important element in restoring the financial standing of the group is to sell assets and investments which do not fit or do not generate a satisfactory return, and to use the proceeds to retire debt and reduce gearing.

The previous ambitious cycle of acquisitions in the group encountered (the past year's) very different and difficult circumstances, it says. These have necessitated some fundamental changes in the structure and direction of the group.

According to Mr Peter Lucas, chief executive from Hong Kong, Hong Kong operation as Perth-based head of investor relations, the figures show the group "wants and all".

He added last night "We're making plain precisely what Bond is and where it's at. There's no point in shirking or hiding from reality."

Whether the figures will satisfy the National Companies and Securities Commission, Australia's stock market watchdog, which has spoken to Bond's accountants several times to remind them of their responsibilities.

By release of the figures, by giving an updated indication of the group's financial affairs, should allow the next step in the planned A\$2.5bn sale of Bond's brewing assets into a joint venture with Lion Nathan of New Zealand. This deal has become critical to the group's future, as the brewing assets are in the balance sheet at A\$950m. With completion of the proposed A\$2.5bn sale, the A\$1.55bn of assets will be recorded, lifting shareholders' equity.

Table with columns: WEEKLY PRICE CHANGES, Latest prices, Change on week, Year 1989, High 1989, Low 1989. Includes Gold per troy oz, Silver per troy oz, Aluminium 99.7% (cash), Copper Grade A (cash), Lead (cash), Nickel (cash), Zinc (cash), Tin (cash), Cocoa Futures (Mar), Coffee Futures (Jan), Sugar (LDP Raw), Barley Futures (Jan), Wheat Futures (Jan), Cotton Outlook A Index, Wool (64 Super), Rubber (Spot), Oil (Brent Blend).

Table with columns: SPOT MARKETS, Crude oil (per barrel FOB), Dubai, Brent Blend, WTI, 11 m. east, SO products, NHE prompt delivery (per tonne CIF), Premium Gasoline, Mar, Heavy Fuel Oil, Naptha, Petroleum Argus Estimates.

Table with columns: OODDA - London FOD, Crude oil, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec, Turnover: 401 (464) lots of 10 tonnes.

Table with columns: COPPER - London FOD, Crude oil, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec, Turnover: 180 (207) lots of 5 tonnes.

Table with columns: SUGAR - London FOD, Crude oil, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec, Turnover: 180 (207) lots of 5 tonnes.

Table with columns: COCAINE OIL - SFE, Crude oil, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec, Turnover: 800 (804).

Table with columns: LONDON METAL EXCHANGE, Price supplied by Amalgamated Metal Trading, Close, Previous, High/Low, AM Official, Barb close, Open interest. Includes Aluminium, Zinc, Copper, Lead, Tin, Nickel, Cobalt, Silver, Gold, Platinum, Palladium, Magnesium, Potassium, Sodium, Calcium, Barium, Strontium, Bismuth, Antimony, Arsenic, Selenium, Tellurium, Vanadium, Niobium, Tantalum, Zirconium, Hafnium, Rhenium, Manganese, Silicon, Boron, Fluorine, Chlorine, Bromine, Iodine, Phosphorus, Sulfur, Selenium, Tellurium, Vanadium, Niobium, Tantalum, Zirconium, Hafnium, Rhenium, Manganese, Silicon, Boron, Fluorine, Chlorine, Bromine, Iodine, Phosphorus, Sulfur.

Table with columns: POTATOES - SFE, Crude oil, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec, Turnover: 117 (418) lots of 40 tonnes.

Table with columns: SOYABEAN MEAL - SFE, Crude oil, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec, Turnover: 85 (105) lots of 20 tonnes.

Table with columns: PRESENT FUTURE - SFE, Crude oil, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec, Turnover: 180 (207) lots of 5 tonnes.

Table with columns: SUGAR - London FOD, Crude oil, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec, Turnover: 180 (207) lots of 5 tonnes.

Table with columns: COCAINE OIL - SFE, Crude oil, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec, Turnover: 800 (804).

Table with columns: US MARKETS, Indications of heavy pork belly consumption led to a rally in the market which was fueled by commission houses buy stops, reports Draxel Burnham Lambert. Live hog rallied in sympathy, closing the discount of futures to cash and despite reduced packer demand. Cattle, on the other hand, eased as traders over-sold ahead of Friday's cattle-on-feed report with long liquidation noted in the October position. Copper futures fell sharply in late trading as sell-stops were elected following earlier pressure from iron and steel. Late profit-taking pared losses. The precious metals were quiet, easing against a steady U.S. dollar with little interest noted. Coffee, cocoa and sugar all traded narrowly in quiet conditions. The grains, too, were quiet, tending to ease with pre-liquidation, long-liquidation and position-squaring, although underlying commercial support was noted. The energy complex was lower across the board influenced in part by the expiration of Sep-November 89/90 oil contracts and by lower U.S. product prices in the mid-west U.S.

Table with columns: NEW YORK, GOLD 100 troy oz, Crude oil, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec, Turnover: 180 (207) lots of 5 tonnes.

Table with columns: LONDON MILLION MARKET, Gold (fine oz), Crude oil, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec, Turnover: 180 (207) lots of 5 tonnes.

Table with columns: TRADES OPTIONS, Crude oil, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec, Turnover: 180 (207) lots of 5 tonnes.

Table with columns: COPPER (Grade A), Crude oil, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec, Turnover: 180 (207) lots of 5 tonnes.

Table with columns: SILVER 5,000 troy oz, Crude oil, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec, Turnover: 180 (207) lots of 5 tonnes.

Table with columns: CHICAGO, Crude oil, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec, Turnover: 180 (207) lots of 5 tonnes.

Table with columns: SOYABEAN 5,000 lb, Crude oil, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec, Turnover: 180 (207) lots of 5 tonnes.

Table with columns: SOYABEAN OIL 5,000 lb, Crude oil, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec, Turnover: 180 (207) lots of 5 tonnes.

Table with columns: SOYABEAN MEAL 100 tonne, Crude oil, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec, Turnover: 180 (207) lots of 5 tonnes.

Table with columns: MAIZE 5,000 lb, Crude oil, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec, Turnover: 180 (207) lots of 5 tonnes.

Table with columns: WHEAT 5,000 lb, Crude oil, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec, Turnover: 180 (207) lots of 5 tonnes.

Table with columns: LIVE CATTLE 40,000 lbs, Crude oil, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec, Turnover: 180 (207) lots of 5 tonnes.

Table with columns: LIVE HOGS 30,000 lbs, Crude oil, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec, Turnover: 180 (207) lots of 5 tonnes.

Table with columns: LIVE BEEVES 40,000 lbs, Crude oil, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec, Turnover: 180 (207) lots of 5 tonnes.

INTL COMPANIES

Sanwa Bank to raise Y350bn

By Stefan Wagstyl in Tokyo

SANWA BANK, the fifth-largest Japanese commercial bank, yesterday announced plans to raise Y350bn (\$2.46bn) in new capital, in the biggest equity offering ever made by a banking group...

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Speculation mounts over EMS

STERLING weakened on market disappointment at the lack of any new measures to defend the currency in Thursday's speech by Mr Nigel Lawson...

rumours that the Bank of Japan is considering another rise in its discount rate, and this also contributed to the dollar's fall...

any move towards revaluation of the D-Mark is unlikely to involve a devaluation of the franc at this stage...

The dollar lacked direction. It weakened in the Far East on fears that the decision by British Airways to pull out of the package deal to buy United Airlines would cause another fall in share prices on Wall Street.

STERLING INDEX

Table with columns: Date, Index, Change, % Change. Shows sterling index values from Oct 20 to Oct 21.

CURRENCY RATES

Table with columns: Currency, Rate, % Change. Lists rates for various currencies like US Dollar, Swiss Franc, etc.

CURRENCY MOVEMENTS

Table with columns: Currency, Movement, % Change. Shows daily movements for various currencies.

OTHER CURRENCIES

Table with columns: Currency, Rate, % Change. Lists rates for currencies like Australian Dollar, Canadian Dollar, etc.

FORWARD RATES AGAINST STERLING

Table with columns: Term, Rate, % Change. Shows forward rates for various currencies against sterling.

FT LONDON INTERBANK FIXING

Table with columns: Currency, Rate, % Change. Shows interbank fixing rates for various currencies.

MONEY RATES

Table with columns: Term, Rate, % Change. Shows money market rates for various currencies.

LONDON MONEY RATES

Table with columns: Term, Rate, % Change. Shows London money market rates for various currencies.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Table with columns: Term, Rate, % Change. Shows dollar spot and forward rates against the dollar.

POUND SPOT - FORWARD AGAINST THE POUND

Table with columns: Term, Rate, % Change. Shows pound spot and forward rates against the pound.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Currency, Rate, % Change. Shows EMS European currency unit rates.

EURO CURRENCY INTEREST RATES

Table with columns: Term, Rate, % Change. Shows Euro currency interest rates.

EXCHANGE CROSS RATES

Table with columns: Currency, Rate, % Change. Shows exchange cross rates for various currencies.

FT GUIDE TO WORLD CURRENCIES

Table with columns: Currency, Rate, % Change. Provides a guide to world currencies.

CHICAGO

Table with columns: Term, Rate, % Change. Shows Chicago market data.

U.S. TREASURY BILLS

Table with columns: Term, Rate, % Change. Shows U.S. Treasury bill rates.

U.S. TREASURY BONDS

Table with columns: Term, Rate, % Change. Shows U.S. Treasury bond rates.

U.S. TREASURY NOTES

Table with columns: Term, Rate, % Change. Shows U.S. Treasury note rates.

U.S. TREASURY DEBENTURES

Table with columns: Term, Rate, % Change. Shows U.S. Treasury debenture rates.

U.S. TREASURY SHORT-TERM

Table with columns: Term, Rate, % Change. Shows U.S. Treasury short-term rates.

U.S. TREASURY LONG-TERM

Table with columns: Term, Rate, % Change. Shows U.S. Treasury long-term rates.

FINANCIAL FUTURES AND OPTIONS

FT GUIDE TO WORLD CURRENCIES

Table with columns: Currency, Rate, % Change. Provides a guide to world currencies.

CHICAGO

Table with columns: Term, Rate, % Change. Shows Chicago market data.

U.S. TREASURY BILLS

Table with columns: Term, Rate, % Change. Shows U.S. Treasury bill rates.

U.S. TREASURY BONDS

Table with columns: Term, Rate, % Change. Shows U.S. Treasury bond rates.

U.S. TREASURY NOTES

Table with columns: Term, Rate, % Change. Shows U.S. Treasury note rates.

U.S. TREASURY DEBENTURES

Table with columns: Term, Rate, % Change. Shows U.S. Treasury debenture rates.

U.S. TREASURY SHORT-TERM

Table with columns: Term, Rate, % Change. Shows U.S. Treasury short-term rates.

U.S. TREASURY LONG-TERM

Table with columns: Term, Rate, % Change. Shows U.S. Treasury long-term rates.

FT GUIDE TO WORLD CURRENCIES

Table with columns: Currency, Rate, % Change. Provides a guide to world currencies.

CHICAGO

Table with columns: Term, Rate, % Change. Shows Chicago market data.

U.S. TREASURY BILLS

Table with columns: Term, Rate, % Change. Shows U.S. Treasury bill rates.

U.S. TREASURY BONDS

Table with columns: Term, Rate, % Change. Shows U.S. Treasury bond rates.

U.S. TREASURY NOTES

Table with columns: Term, Rate, % Change. Shows U.S. Treasury note rates.

U.S. TREASURY DEBENTURES

Table with columns: Term, Rate, % Change. Shows U.S. Treasury debenture rates.

U.S. TREASURY SHORT-TERM

Table with columns: Term, Rate, % Change. Shows U.S. Treasury short-term rates.

U.S. TREASURY LONG-TERM

Table with columns: Term, Rate, % Change. Shows U.S. Treasury long-term rates.

FT GUIDE TO WORLD CURRENCIES

Table with columns: Currency, Rate, % Change. Provides a guide to world currencies.

CHICAGO

Table with columns: Term, Rate, % Change. Shows Chicago market data.

U.S. TREASURY BILLS

Table with columns: Term, Rate, % Change. Shows U.S. Treasury bill rates.

U.S. TREASURY BONDS

Table with columns: Term, Rate, % Change. Shows U.S. Treasury bond rates.

U.S. TREASURY NOTES

Table with columns: Term, Rate, % Change. Shows U.S. Treasury note rates.

U.S. TREASURY DEBENTURES

Table with columns: Term, Rate, % Change. Shows U.S. Treasury debenture rates.

U.S. TREASURY SHORT-TERM

Table with columns: Term, Rate, % Change. Shows U.S. Treasury short-term rates.

U.S. TREASURY LONG-TERM

Table with columns: Term, Rate, % Change. Shows U.S. Treasury long-term rates.

SBC confident of growth this year

By John Wickes in Zurich

SWISS BANK CORPORATION, Switzerland's second-biggest bank, expects a further improvement in profits this year, when it is showing a clear shift away from interest-earning business towards commission and trading income...

FT LONDON INTERBANK FIXING

Table with columns: Currency, Rate, % Change. Shows interbank fixing rates for various currencies.

MONEY RATES

Table with columns: Term, Rate, % Change. Shows money market rates for various currencies.

LONDON MONEY RATES

Table with columns: Term, Rate, % Change. Shows London money market rates for various currencies.

FT LONDON INTERBANK FIXING

Table with columns: Currency, Rate, % Change. Shows interbank fixing rates for various currencies.

MONEY RATES

Table with columns: Term, Rate, % Change. Shows money market rates for various currencies.

FT LONDON INTERBANK FIXING

Table with columns: Currency, Rate, % Change. Shows interbank fixing rates for various currencies.

MONEY RATES

Table with columns: Term, Rate, % Change. Shows money market rates for various currencies.

LONDON MONEY RATES

Table with columns: Term, Rate, % Change. Shows London money market rates for various currencies.

FT LONDON INTERBANK FIXING

Table with columns: Currency, Rate, % Change. Shows interbank fixing rates for various currencies.

MONEY RATES

Table with columns: Term, Rate, % Change. Shows money market rates for various currencies.

FT LONDON INTERBANK FIXING

Table with columns: Currency, Rate, % Change. Shows interbank fixing rates for various currencies.

MONEY RATES

Table with columns: Term, Rate, % Change. Shows money market rates for various currencies.

LONDON MONEY RATES

Table with columns: Term, Rate, % Change. Shows London money market rates for various currencies.

FT LONDON INTERBANK FIXING

Table with columns: Currency, Rate, % Change. Shows interbank fixing rates for various currencies.

MONEY RATES

Table with columns: Term, Rate, % Change. Shows money market rates for various currencies.

FT LONDON INTERBANK FIXING

Table with columns: Currency, Rate, % Change. Shows interbank fixing rates for various currencies.

MONEY RATES

Table with columns: Term, Rate, % Change. Shows money market rates for various currencies.

LONDON MONEY RATES

Table with columns: Term, Rate, % Change. Shows London money market rates for various currencies.

FT LONDON INTERBANK FIXING

Table with columns: Currency, Rate, % Change. Shows interbank fixing rates for various currencies.

MONEY RATES

Table with columns: Term, Rate, % Change. Shows money market rates for various currencies.

FT LONDON INTERBANK FIXING

Table with columns: Currency, Rate, % Change. Shows interbank fixing rates for various currencies.

MONEY RATES

Table with columns: Term, Rate, % Change. Shows money market rates for various currencies.

LONDON MONEY RATES

Table with columns: Term, Rate, % Change. Shows London money market rates for various currencies.

FT LONDON INTERBANK FIXING

Table with columns: Currency, Rate, % Change. Shows interbank fixing rates for various currencies.

MONEY RATES

Table with columns: Term, Rate, % Change. Shows money market rates for various currencies.

FT LONDON INTERBANK FIXING

Table with columns: Currency, Rate, % Change. Shows interbank fixing rates for various currencies.

MONEY RATES

Table with columns: Term, Rate, % Change. Shows money market rates for various currencies.

LONDON MONEY RATES

Table with columns: Term, Rate, % Change. Shows London money market rates for various currencies.

FT LONDON INTERBANK FIXING

Table with columns: Currency, Rate, % Change. Shows interbank fixing rates for various currencies.

MONEY RATES

Table with columns: Term, Rate, % Change. Shows money market rates for various currencies.

CIC profits tumble to FF348m in first half

By George Graham in Paris

CREDIT INDUSTRIELLE OF Commercial, the federation of regional French banks now under the control of the nationalised insurance group CNA, has reported a sharp downturn in net profits in the first half of this year to FF348m (\$55.8m).

FT LONDON INTERBANK FIXING

Table with columns: Currency, Rate, % Change. Shows interbank fixing rates for various currencies.

MONEY RATES

Table with columns: Term, Rate, % Change. Shows money market rates for various currencies.

LONDON MONEY RATES

Table with columns: Term, Rate, % Change. Shows London money market rates for various currencies.

FT LONDON INTERBANK FIXING

Table with columns: Currency, Rate, % Change. Shows interbank fixing rates for various currencies.

MONEY RATES

Table with columns: Term, Rate, % Change. Shows money market rates for various currencies.

LONDON MONEY RATES

Table with columns: Term, Rate, % Change. Shows London money market rates for various currencies.

FT LONDON INTERBANK FIXING

Table with columns: Currency, Rate, % Change. Shows interbank fixing rates for various currencies.

MONEY RATES

Table with columns: Term, Rate, % Change. Shows money market rates for various currencies.

LONDON MONEY RATES

Table with columns: Term, Rate, % Change. Shows London money market rates for various currencies.

FT LONDON INTERBANK FIXING

Table with columns: Currency, Rate, % Change. Shows interbank fixing rates for various currencies.

MONEY RATES

Table with columns: Term, Rate, % Change. Shows money market rates for various currencies.

LONDON MONEY RATES

Table with columns: Term, Rate, % Change. Shows London money market rates for various currencies.

FT LONDON INTERBANK FIXING

Table with columns: Currency, Rate, % Change. Shows interbank fixing rates for various currencies.

MONEY RATES

Table with columns: Term, Rate, % Change. Shows money market rates for various currencies.

LONDON MONEY RATES

Table with columns: Term, Rate, % Change. Shows London money market rates for various currencies.

FT LONDON INTERBANK FIXING

Table with columns: Currency, Rate, % Change. Shows interbank fixing rates for various currencies.

MONEY RATES

Table with columns: Term, Rate, % Change. Shows money market rates for various currencies.

LONDON MONEY RATES

Table with columns: Term, Rate, % Change. Shows London money market rates for various currencies.

Flotation boosts Dumez

By William Dawkins in Paris

DUMEZ, France's second-largest construction group, showed a 70 per cent increase in group net profits for the first half of the year, but warned that this did not indicate the likely outcome for 1989 as a whole.

FT LONDON INTERBANK FIXING

Table with columns: Currency, Rate, % Change. Shows interbank fixing rates for various currencies.

MONEY RATES

Table with columns: Term, Rate, % Change. Shows money market rates for various currencies.

LONDON MONEY RATES

Table with columns: Term, Rate, % Change. Shows London money market rates for various currencies.

FT LONDON INTERBANK FIXING

Table with columns: Currency, Rate, % Change. Shows interbank fixing rates for various currencies.

MONEY RATES

Table with columns: Term, Rate, % Change. Shows money market rates for various currencies.

LONDON MONEY RATES

Table with columns: Term, Rate, % Change. Shows London money market rates for various currencies.

FT LONDON INTERBANK FIXING

Table with columns: Currency, Rate, % Change. Shows interbank fixing rates for various currencies.

MONEY RATES

Table with columns: Term, Rate, % Change. Shows money market rates for various currencies.

LONDON MONEY RATES

Table with columns: Term, Rate, % Change. Shows London money market rates for various currencies.

FT LONDON INTERBANK FIXING

Table with columns: Currency, Rate, % Change. Shows interbank fixing rates for various currencies.

MONEY RATES

Table with columns: Term, Rate, % Change. Shows money market rates for various currencies.

LONDON MONEY RATES

Table with columns: Term, Rate, % Change. Shows London money market rates for various currencies.

FT LONDON INTERBANK FIXING

Table with columns: Currency, Rate, % Change. Shows interbank fixing rates for various currencies.

MONEY RATES

Table with columns: Term, Rate, % Change. Shows money market rates for various currencies.

LONDON MONEY RATES

Table with columns: Term, Rate, % Change. Shows London money market rates for various currencies.

FT LONDON INTERBANK FIXING

Table with columns: Currency, Rate, % Change. Shows interbank fixing rates for various currencies.

MONEY RATES

Table with columns: Term, Rate, % Change. Shows money market rates for various currencies.

LONDON MONEY RATES

Table with columns: Term, Rate, % Change. Shows London money market rates for various currencies.

Steiner buys Nixdorf unit

KARL STEINER, the Swiss contractor group, has taken over the German company Nixdorf Infotek...

FT LONDON INTERBANK FIXING

Table with columns: Currency, Rate, % Change. Shows interbank fixing rates for various currencies.

MONEY RATES

Table with columns: Term, Rate, % Change. Shows money market rates for various currencies.

LONDON MONEY RATES

Table with columns: Term, Rate, % Change. Shows London money market rates for various currencies.

FT LONDON INTERBANK FIXING

Table with columns: Currency, Rate, % Change. Shows interbank fixing rates for various currencies.

MONEY RATES

Table with columns: Term, Rate, % Change. Shows money market rates for various currencies.

LONDON MONEY RATES

Table with columns: Term, Rate, % Change. Shows London money market rates for various currencies.

FT LONDON

WORLD STOCK MARKETS

AMERICA
Dow recovers to surmount the ultimate hurdle

Wall Street

AT THE end of an extremely volatile week, which has seen waves of computerised programme trading, the equity market yesterday had to overcome its final hurdle, as October stock index futures and options expired, writes James Bush in New York.

Sell programmes related to stock index arbitrage hit the market during the morning session and the Dow Jones Industrial Average fell by about 16 points.

However, by 2 pm, the Dow had recovered nearly all of those losses to stand 8.82 points lower at 2,852.38. Volume was moderately active, with 101M shares changing hands.

After its brief recovery on Thursday from seven consecutive lower sessions, the Dow Jones Transportation Index plunged again yesterday in the wake of a British Airways statement that it would not participate in any UAL deal for the foreseeable future. The index was quoted 34.67 points lower at 1,238.84 at mid-session.

UAL slipped 2 1/2% to \$18 1/2 by mid-session and AMR fell 3/4 to \$7 1/2.

The British Airways news came as a surprise in London, where it was seen as a U-turn by the airline which had been suggesting all week that it would take part in a new deal for UAL at a lower price.

UAL's flight attendants union said yesterday that it would hold talks with the group's other members - UAL management and the pilots union - on any new bid.

Some of the day's stocks which revived on Thursday afternoon were lower again yesterday, while others continued to recover. It has become apparent in the latter part of the week that investors are being much more selective about speculative issues. Arbitrageurs were buying stocks which they believed, represented genuine value for a potential hidden sale.

Hilton Hotels has been one of the most volatile stocks since October 18, when it fell

Japanese manage to shrug off world's high anxiety

BEFORE October 1987, the idea of relying on Japanese fund managers to support confidence in world stock markets would have been laughed out of court by many western pundits.

But in this month's mini-crisis, few people thought it strange that investors in the jittery US and European markets should look to the east to help steady their nerves after the plunge on Wall Street on Friday, October 13.

Japanese fund managers did not disappoint them. The 647.33-point fall in the Nikkei index on Monday was the largest this year. But it was the equivalent of a decline of only 1.8 per cent - small enough to give investors on Wall Street fresh breath.

In contrast, Holiday Corp, long runner-up takeover candidate and regarded as a serious prospect, yesterday added 3/4 to \$7 3/4.

There have been so many different influences on the market this week that it is difficult to measure how much of a return to health there has been and what the underlying tone of the market is.

Not only were there the obvious after-shocks of Friday 13th, but then there was the news of the San Francisco earthquake which affected different sectors in various ways. Yesterday, the distraction was the so-called "double witching hour" expiry of futures and options.

Among blue chip issues, IBM eased 3/4 to \$103 1/4 and Philip Morris lost 1/4 to \$44.

Among individual issues, Groundwater Technology fell 3/4 to \$24 on the over-the-counter market after the company forecast that its latest earnings per share could be down 20 per cent from a year earlier.

Canada
QUIET trading left Toronto stocks lower at mid-session, with the composite index off 25 points at 3,945. Declining issues were slightly in the lead over advances.

The mining sector led declines with a 1.9 per cent fall on the sub-index. Alcan lost 3 1/2% to C\$25 1/2 and Inco eased 3/4 to C\$36 1/2.

SOUTH AFRICA
A DECLINE in the bullion price prompted selling of gold shares in Johannesburg. Thin trading. Vaal Reefs fell back R7.50 to R306.50.

Stefan Wagstyl explains why Tokyo remained relatively unflappable this week, and looks at the return of stock-picking

As a result, a lot of the passion has gone out of the market. Mr Ron Napier, research manager of Salomon Brothers in Tokyo, said in a recent report: "The market has shifted from a high-volume, short-term trading focus to a lower-volume, longer-term investment focus."

This latter approach is not new, writes Mr Napier, but it was obscured in recent years by the heavy short-term trading that attracted so much attention.

There is little sign that investors will snap out of this mood. The Japanese economy continues to grow at a rate of about 5 per cent a year - strong by the standards of other industrialised countries - but it is now in its third year of expansion.

Companies are trying to cope with labour shortages by a record surge in capital investment. But after two years of rapid profits growth, the gain

Companies under microscope after week of turmoil

ANOMALIES, inevitable after a week of turmoil in Continental markets, were the focus of some attention yesterday, writes UK Markets Staff.

FRANKFURT closed lower in this trade. The FAZ decline of 0.19 to 640.25 in mid-session opened out to 2.89 to 1,524.21 in the DAX at the close, the index ending the week with falls of 4.7, and 4.1 per cent respectively.

Chemical stocks, ignored earlier in the month, rose against the trend with Hoechst up DM3.40 to DM277.90, BMW, a relatively poor performer in motors in the past few days, advanced DM3.50 to DM556.

In retailing, Asko recouped some of Thursday's heavy losses after it once again denied any falsification of its books. Deutsche Bank also disputed charges that it had unadvised share offerings for Asko without auditing its finances sufficiently well. Asko shares,

Japan

Average compound annual rates of return (%) Tokyo S.E. 1979 82 84 85 88

Net foreign assets (US\$bn) 1979 82 84 85 88

in the current year is likely to be smaller. The research arm of Nomura Securities estimates that annual pre-tax profits of 400 leading companies will rise in the year to March 1990 by about 13 per cent, against a 20.4 per cent increase last year and 26.9 per cent in 1987.

Nevertheless, if there is no longer much short-term potential for general profits growth, the economy is still healthy enough for many individual companies to prosper. Investors' current favourites include

ASIA PACIFIC
Nikkei extends gains as confidence grows

Companies serving consumer aspirations, such as better housing, have benefited, in addition, those with real estate, such as railroads, have enjoyed particular success, with four issues in the list of top-10 advances.

Tokyo Corp rose Y100 to Y2,370 in its fifth consecutive rise. Tokai again topped the most active list yesterday, with 58.8m shares. The popularity of Tokai's shares reflected stakeholding speculation.

Qintex Australia, the failed bidder for MGM/UA Communications of the US, fell another 2 cents to 33 cents, down from about \$1.50 in March. In Beverly Hills yesterday, its US associate, Quintex Entertainment, filed for protection under Chapter 11 of the Federal Bankruptcy Code.

HONG KONG turnover recovered from HK\$750m to a still-moderate HK\$1.8bn, Bank-

Retiring Abroad

Are you thinking of retiring overseas?

Financial Times Books
RETIRING ABROAD
3rd Edition

Retiring Abroad also details the retirement advantages and disadvantages of specific countries, including important background information on residence conditions, health and social security, and local taxation (including UK reciprocity), all checked with the appropriate embassy.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

| NATIONAL AND REGIONAL MARKETS | THURSDAY OCTOBER 19 1989 | | | | WEDNESDAY OCTOBER 18 1989 | | | | DOLLAR INDEX | | | |
|-------------------------------|--------------------------|----------------|----------------------|----------------------|-------------------------------|------------------|-----------------|----------------------|----------------------|-----------|----------|-------------------|
| | US Dollar Index | Day's Change % | Pound Sterling Index | Local Currency Index | Day's change % local currency | Gross Div. Yield | US Dollar Index | Pound Sterling Index | Local Currency Index | 1989 High | 1989 Low | Year ago (approx) |
| Australia (85) | 148.75 | +2.4 | 138.96 | 127.23 | +1.5 | 5.18 | 145.21 | 135.53 | 125.37 | 180.41 | 128.28 | 149.70 |
| Austria (15) | 182.00 | -0.8 | 132.21 | 127.90 | +0.8 | 1.55 | 145.21 | 135.53 | 125.37 | 172.22 | 92.84 | 94.35 |
| Belgium (88) | 141.94 | +1.0 | 132.02 | 126.69 | +1.0 | 4.05 | 140.96 | 131.18 | 135.36 | 144.49 | 125.59 | 127.23 |
| Canada (122) | 151.30 | +0.9 | 140.72 | 128.62 | +0.9 | 3.19 | 149.88 | 139.88 | 127.41 | 154.17 | 124.87 | 125.42 |
| Denmark (36) | 203.34 | +2.8 | 190.98 | 201.01 | +2.5 | 1.58 | 199.75 | 185.43 | 198.15 | 211.99 | 163.23 | 141.31 |
| Finland (26) | 124.57 | +0.4 | 118.24 | 111.91 | +0.3 | 2.54 | 125.08 | 115.78 | 111.98 | 158.15 | 123.12 | 121.63 |
| France (128) | 135.73 | +2.4 | 128.24 | 133.87 | +2.2 | 2.81 | 132.80 | 123.76 | 130.94 | 138.94 | 112.57 | 103.88 |
| West Germany (97) | 98.16 | +1.5 | 91.30 | 94.51 | +1.4 | 2.17 | 96.74 | 90.29 | 88.22 | 103.84 | 73.56 | 84.40 |
| Hong Kong (48) | 112.25 | +1.2 | 104.41 | 112.54 | +1.2 | 5.02 | 110.89 | 103.50 | 111.10 | 140.59 | 84.41 | 105.78 |
| Ireland (17) | 182.70 | +0.5 | 151.32 | 159.81 | +0.6 | 2.76 | 161.26 | 150.51 | 157.96 | 183.89 | 125.00 | 141.65 |
| Italy (97) | 88.71 | +0.5 | 82.51 | 90.37 | +0.4 | 2.63 | 88.29 | 82.41 | 80.01 | 96.73 | 74.97 | 83.82 |
| Japan (455) | 185.81 | +0.7 | 172.84 | 168.54 | +0.9 | 0.48 | 184.29 | 172.01 | 165.07 | 200.11 | 143.22 | 138.23 |
| Malaysia (30) | 138.89 | +2.9 | 164.77 | 205.51 | +2.7 | 2.28 | 164.77 | 205.51 | 200.33 | 205.51 | 143.22 | 138.23 |
| Netherlands (13) | 129.57 | +0.8 | 128.97 | 129.29 | +0.3 | 0.99 | 130.30 | 128.92 | 127.94 | 146.66 | 118.32 | 125.45 |
| New Zealand (43) | 129.57 | +1.6 | 120.52 | 123.06 | +1.7 | 4.29 | 127.33 | 118.94 | 121.61 | 151.72 | 110.83 | 108.31 |
| New Zealand (18) | 78.90 | +1.5 | 73.98 | 70.95 | +0.8 | 5.00 | 77.72 | 72.64 | 69.97 | 85.16 | 62.64 | 72.24 |
| Norway (24) | 177.88 | +2.0 | 165.28 | 166.47 | +2.7 | 1.59 | 172.56 | 161.08 | 162.08 | 198.39 | 139.52 | 118.21 |
| Singapore (26) | 158.56 | +2.2 | 148.41 | 143.76 | +2.2 | 2.05 | 158.08 | 146.86 | 140.87 | 170.82 | 124.57 | 120.20 |
| South Africa (60) | 148.82 | +1.7 | 135.83 | 124.76 | +1.8 | 4.57 | 143.43 | 133.87 | 122.53 | 160.24 | 113.35 | 110.71 |
| Spain (43) | 130.98 | +3.2 | 148.78 | 142.87 | +1.0 | 3.27 | 138.40 | 130.11 | 138.14 | 146.66 | 112.79 | 115.83 |
| Sweden (37) | 180.63 | +1.2 | 168.31 | 171.78 | +2.0 | 2.00 | 178.88 | 164.90 | 168.37 | 188.94 | 138.45 | 128.18 |
| Switzerland (64) | 89.44 | +3.2 | 83.19 | 90.03 | +3.0 | 2.10 | 88.68 | 80.90 | 87.38 | 94.15 | 67.61 | 82.45 |
| United Kingdom (306) | 142.84 | +1.3 | 132.67 | 132.67 | +1.0 | 4.58 | 140.77 | 131.39 | 131.39 | 148.29 | 112.13 | 115.30 |
| USA (547) | 141.02 | +1.6 | 131.16 | 141.02 | +1.0 | 3.51 | 138.99 | 115.73 | 118.07 | 192.95 | 112.83 | 112.89 |
| Europe (688) | 128.92 | +1.6 | 117.12 | 119.65 | +1.3 | 1.83 | 128.92 | 115.73 | 118.07 | 192.95 | 112.83 | 112.89 |
| Nordic (12) | 188.48 | +1.8 | 176.78 | 182.43 | +1.0 | 1.83 | 184.57 | 169.80 | 162.23 | 178.59 | 137.96 | 121.32 |
| Pacific Basin (99) | 181.41 | +0.8 | 168.73 | 162.91 | +1.0 | 0.73 | 179.99 | 167.89 | 161.36 | 194.72 | 160.44 | 155.13 |
| Euro - Pacific (1965) | 139.31 | +1.0 | 148.17 | 145.58 | +1.1 | 1.52 | 137.88 | 147.17 | 144.03 | 163.98 | 141.56 | 144.19 |
| North America (808) | 141.83 | +1.5 | 131.04 | 140.25 | +1.5 | 3.27 | 138.40 | 130.11 | 138.14 | 146.66 | 112.79 | 115.83 |
| Europe Ex. UK (88) | 114.69 | +1.7 | 108.87 | 111.51 | +1.6 | 2.77 | 112.78 | 105.24 | 106.77 | 118.51 | 96.30 | 97.21 |
| Pacific Ex. Japan (214) | 190.98 | +2.0 | 121.23 | 117.57 | +1.5 | 4.81 | 128.38 | 118.81 | 115.96 | 140.05 | 111.93 | 125.16 |
| World Ex. UK (1890) | 158.98 | +1.0 | 147.99 | 145.05 | +1.1 | 1.70 | 157.36 | 148.87 | 143.50 | 165.35 | 141.48 | 143.28 |
| World Ex. UK (210) | 152.40 | +1.2 | 141.74 | 144.71 | +1.3 | 1.59 | 150.59 | 140.25 | 142.91 | 158.04 | 136.98 | 131.86 |
| World Ex. UK (210) | 151.54 | +1.2 | 140.95 | 143.70 | +1.2 | 2.20 | 149.74 | 138.75 | 141.95 | 155.82 | 136.87 | 132.50 |
| World Ex. Japan (1922) | 135.43 | +1.6 | 125.06 | 131.98 | +1.5 | 3.43 | 133.26 | 124.46 | 130.04 | 140.43 | 114.51 | 115.10 |
| The World Index (2407) | 151.50 | +1.2 | 140.91 | 143.57 | +1.2 | 2.21 | 149.70 | 139.72 | 141.82 | 155.89 | 136.68 | 132.37 |

Copyright, The Financial Times Limited, Goldman, Sachs & Co., and County NatWest Securities Limited, 1987. Latest prices were unavailable for this edition.

Are you thinking of retiring overseas?

Financial Times Books
RETIRING ABROAD
3rd Edition

Retiring Abroad also details the retirement advantages and disadvantages of specific countries, including important background information on residence conditions, health and social security, and local taxation (including UK reciprocity), all checked with the appropriate embassy.

Countries covered: • Andorra • Australia • Canada • Channel Islands • Cyprus • France • Gibraltar • Greece • Ireland • Isle of Man • Italy • Malta • New Zealand • Portugal • South Africa • Spain • United States of America • Western Europe in brief • Exotic locations in brief.

Not only is Retiring Abroad crammed with useful information, but by listing contacts and addresses of organisations able to give you expert advice, it allows you to follow specific points up in more detail.

Published November 1989. Written and edited by Anne Gowan and Karen McCall.

ORDER FORM

*I wish to order 5 or more copies. Please send me details of bulk order discounts or telephone: (BLOCK CAPITALS PLEASE)

Mr/Mrs/Miss _____

Title _____

Organisation _____

Address _____

Postcode _____ Country _____

Signature _____ Date _____

Please allow 28 days for delivery. Refunds are given on books returned in perfect condition and within 7 days of receipt.

Registered office: Number One, Southwark Bridge, London SE1 9HL. Registered in England No. 980896. 554

Please return to: (Mail order address only) The Marketing Dept., FT Business Information, 7th Floor, 50-64 Broadway, London SW1H 0DB. Tel: 01-799 2002. Telex: 927282.

Please note payment must accompany order. Prices include postage and packing.

Please send me*

| Office use | Title | Qty | UK Price | Overseas Price |
|------------|-----------------|-----|----------|----------------|
| 4662 | Retiring Abroad | | £14.95 | £17.50 |
| 0083 | | | | US\$29 |

I enclose my cheque value £/US\$. I wish to pay by credit card (mark choice): Visa Access Amex

Card No. _____

Card Expiry Date _____

LONDON STOCK EXCHANGE Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Corporation and County Stocks

Greater London Council 6 1/2% Stk 98/92 - 2385
Birmingham Corp 5% Stk 194/7 after - 222 (130c28)

UK Public Boards

Agricultural Mortgage Corp PLC 5 1/2% Deb Stk 98/92 - 2215 (130c28)
6% Deb Stk 98/92 - 2215 (130c28)

Commonwealth-Government

Janney Security Co Ltd 5% Ord Stk 2000 - 234 (130c28)
British Telecom 12 1/2% Stk 2018/18 - 2117 (130c28)

Foreign Stocks, Bonds, etc-coupons payable in

London (London) 0% 181/181 (Assd with Accrual)
5% 1981 Stk 1985 - 246 64
6% 1984/1985 (Assd with Accpt) - 246 54

Banks and Discount Companies

Bank of Montreal 10 1/2% Stk 1994 - 230 1/4 (130c28)
Barclays Bank PLC 12 1/2% Stk 1992 - 238 7 (130c28)

Breweries and Distilleries

Allied-Lyons PLCADR (1:1) - 87 1/4 7 7/8 (130c28)
8 1/2% Deb Stk 98/92 - 230 (130c28)

Registered Housing Associations

North Housing Association Ltd 8 1/2% Stk 2007 - 276 1/4 (130c28)
Peabody Trust PLCADR (5:1) - 117 1/4 (130c28)

Commercial, Industrial, etc

AAH Hedges PLCADR (5:1) - 50 (130c28)
ABB North PLCADR (10:1) - 218 3/4 30 1/4 % (130c28)

AMEC PLC 19% Stk 1992 - 2191 3/4 (130c28)

Alstom PLC Warrants to sub for Ord - 16 (130c28)
Aston PLCADR (5:1) - 114 1/4 (130c28)
Aston PLCADR (5:1) - 114 1/4 (130c28)

Sterling Issues by Overseas

Asen Development Bank 10 1/2% Stk 2009/Reg - 237 1/8 (130c28)
Asen Development Bank 10 1/2% Stk 2009/Reg - 237 1/8 (130c28)

Borrowers

Asen Development Bank 10 1/2% Stk 2009/Reg - 237 1/8 (130c28)
Asen Development Bank 10 1/2% Stk 2009/Reg - 237 1/8 (130c28)

Financial Trusts, Land, etc

Alban Finance PLCADR (1:1) - 100 (130c28)
Alban Finance PLCADR (1:1) - 100 (130c28)

Unit Trusts

M.G. American Smaller Co's Fund - 230 (130c28)
Accum Units - 230 (130c28)

Mines - Miscellaneous

Anglo American PLCADR (5:1) - 100 (130c28)
Anglo American PLCADR (5:1) - 100 (130c28)

Mines - South Africa

Anglo American PLCADR (5:1) - 100 (130c28)
Anglo American PLCADR (5:1) - 100 (130c28)

Insurance

General AC Prudential Assco Corp PLC - 230 (130c28)
7 1/2% Deb Stk 98/92 - 230 (130c28)

Investment Trusts

Abstract New Dawn Inv Trust PLCADR (5:1) - 123 1/4 (130c28)
Abstract New Dawn Inv Trust PLCADR (5:1) - 123 1/4 (130c28)

Guinness Hedges PLCADR (5:1) - 114 1/4 (130c28)

Guinness Hedges PLCADR (5:1) - 114 1/4 (130c28)
Guinness Hedges PLCADR (5:1) - 114 1/4 (130c28)

Financial Trusts, Land, etc

Alban Finance PLCADR (1:1) - 100 (130c28)
Alban Finance PLCADR (1:1) - 100 (130c28)

Unit Trusts

M.G. American Smaller Co's Fund - 230 (130c28)
Accum Units - 230 (130c28)

Mines - Miscellaneous

Anglo American PLCADR (5:1) - 100 (130c28)
Anglo American PLCADR (5:1) - 100 (130c28)

Mines - South Africa

Anglo American PLCADR (5:1) - 100 (130c28)
Anglo American PLCADR (5:1) - 100 (130c28)

Insurance

General AC Prudential Assco Corp PLC - 230 (130c28)
7 1/2% Deb Stk 98/92 - 230 (130c28)

Investment Trusts

Abstract New Dawn Inv Trust PLCADR (5:1) - 123 1/4 (130c28)
Abstract New Dawn Inv Trust PLCADR (5:1) - 123 1/4 (130c28)

Financial Trusts, Land, etc

Alban Finance PLCADR (1:1) - 100 (130c28)
Alban Finance PLCADR (1:1) - 100 (130c28)

Unit Trusts

M.G. American Smaller Co's Fund - 230 (130c28)
Accum Units - 230 (130c28)

1st Mtg Deb Stk 98/2001 - 227 (130c28)

1st Mtg Deb Stk 98/2001 - 227 (130c28)
1st Mtg Deb Stk 98/2001 - 227 (130c28)

Plantations

Anglo-Siam Plantations PLCADR (5:1) - 100 (130c28)
Anglo-Siam Plantations PLCADR (5:1) - 100 (130c28)

Shipping

Anglo-Siam Plantations PLCADR (5:1) - 100 (130c28)
Anglo-Siam Plantations PLCADR (5:1) - 100 (130c28)

Water Works

Anglo-Siam Plantations PLCADR (5:1) - 100 (130c28)
Anglo-Siam Plantations PLCADR (5:1) - 100 (130c28)

Miscellaneous Warrants

Anglo-Siam Plantations PLCADR (5:1) - 100 (130c28)
Anglo-Siam Plantations PLCADR (5:1) - 100 (130c28)

USM Appendix

Anglo-Siam Plantations PLCADR (5:1) - 100 (130c28)
Anglo-Siam Plantations PLCADR (5:1) - 100 (130c28)

Oil

Anglo-Siam Plantations PLCADR (5:1) - 100 (130c28)
Anglo-Siam Plantations PLCADR (5:1) - 100 (130c28)

Property

Anglo-Siam Plantations PLCADR (5:1) - 100 (130c28)
Anglo-Siam Plantations PLCADR (5:1) - 100 (130c28)

Financial Times

Financial Times logo and contact information.

RECYCLING The Financial Times proposes to publish this survey on 31st October 1989. For a full editorial synopsis and advertisement details, please contact: Alison Barnard on 01-873 4148 or write to her at: Number One Southwark Bridge London SE1 9HL

LONDON STOCK EXCHANGE

Uncertain end to a difficult week

A TURBULENT if finally somewhat subdued trading week on the London stock market closed last night with the equity sector in an uncertain mood as it looked ahead for the next week of confidence. Tuesday brings details of UK trade figures for September, a prospect which has revived worries over sterling and domestic interest rates dampened down by the stock on Wall Street.

domestic scene with the overnight advance on Wall Street bringing no benefit for UK equities. The City of London, assuming that Mr Lawson, the UK Chancellor, had an inkling of next week's trade figures when he addressed the Mansion House Dinner on Thursday night, noted his warning that interest rates "will have to remain high for some time".

Equities opened lower and remained in minus territory throughout the day. With Wall Street, too, looking unsure in early trading, the UK market closed without much recovery from an early fall of 12 Footsie points. At its final reading of 2,178.1,

the FT-SE Index was a net 10.2 points down on the day. Over the week it has fallen by 2.4 per cent, or 54.8 points, essentially in reaction to the heavy setback on Wall Street which began on the previous Friday evening after UK traders had gone home for the weekend.

Most of the damage was done on Monday when the Footsie Index was 200 points off at its worst moment. However, it has since become clear that UK traders and institutions bought heavily into equities on Monday when the Index was down to the 2,029 area. This had two significant effects on the market over the rest of the week. First, many

FINANCIAL TIMES STOCK INDICES. Table with columns for various indices (Government Secs, Fixed Interest, Ordinary Share, Gold Mines, FT-SE 100 Share, Ord. Div. Yield, BEAC Bargain(Sp), Equity Bargain(Sp), Shares Traded) and rows for Oct 20, Oct 19, Oct 18, Oct 17, Oct 16, Year Ago, High, Low, and Since Completion.

FT-SE 100 Share. Table with columns for Open, High, Low, Close for various times (10 a.m., 11 a.m., 12 p.m., 2 p.m., 3 p.m., 4 p.m.) and rows for Oct 20, Oct 19, Oct 18, Oct 17, Oct 16.

TRADING VOLUME IN MAJOR STOCKS. Table with columns for Stock, Value, Change, etc.

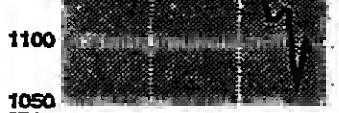
Investors take Refuge

The life assurance sector took another step up with speculators driving the shares of potential bid targets sharply higher. Refuge Assurance posted the biggest gain in the sector and reports that Athens, the third largest private insurer in France, had been back in the market to top up its stake, revealed on Monday at 9.94 per cent. A move to at least 10 per cent by Athens, the only remaining independent insurer in France, was regarded by observers as having been highly likely.

Oil trio ablaze

The Burmah/Calor/Premier trio saw their shares rise in a burst of speculative activity after it was revealed that SHV, the privately-owned Dutch group, had bought its stake in Burmah from 6.7 per cent to 7.5 per cent, leading to further stories of imminent takeover activity involving the four companies.

FT-A All-Share Index



Equity Shares Traded



valuation which is not expected until after the first closing date," an analyst said. Composites provided Royal of interest, notably Klay Insurance, which formed 10 more to 475p on good turnover of 2.4m mch of it said to have been from US buyers.

265m to 250m for the current year, and from 265m to 245m for next. The shares slipped 3 to 110p.

It was pointed out that Athens' move to 10 per cent from 9.94 per cent, from the main holding company of the Worms family, may itself be vulnerable to a hostile takeover. "The European insurance business is in ferment at the moment; the best is yet to come," the analyst added.

The market has given a good showing in recent weeks to good advantage. The SHV move came quickly and decisively, and only days after it had lifted the holding to 6.7 per cent. Announcing the increased stake, Burmah said: "No discussions are taking place with SHV and no deal of any nature is in contemplation."

from the US as well as the UK and the Continent and it seems something will happen very quickly," said one. Another, however, pointed out that after the SHV stake news "the arts moved in hoping to make a quick killing, and they may yet be disappointed."

Wellcome dipped sharply when a Japanese news agency said the potential AIDS virus was to be revealed at a conference on Monday. The shares fell 20 in late trading before recovering slightly to the close to end 18 off at 500p.

The twins were unimpaired. A loss of non-exec, another classic late Friday afternoon bear raid," said Mr John Alexander, analyst at Smith New Court. "It is of no significance," said Mr Jonathan de Pass of BZW. Both agreed that any new drug would join a list of about 50 potential AIDS cures or treatments.

Continued speculation over the possible predatory intentions of a buyer of Vauxhall helped the price 5 better to 351p.

One of BZW's many profits downgrades yesterday was for Traxhouse Forte. Mr Peter Hillier of BZW's leisure team trimmed his forecast for the current year - a 15 month period from 255m to 238m.

For the 12 months thereafter the forecast is 228m instead of 231m. This should be compared with the 12 months to January 1990 number of 226m, said Mr Hillier.

The outlook for the economy is not as good as it was three months ago," said Mr Hillier. The hotel sector is working variable, companies are tightening up and provincial hotels could be increasingly competitive. Consumers are beginning to feel the pinch and may cut back on restaurant spending.

That finished 10 down at 294p and was the second most active contract on the traded options market. The equivalent of about 1.5m shares changed hands there, compared with 6.4m shares on the underlying market.

Diwos were knocked back again at the end of a see-saw week. Yesterday, analysts at BZW downgraded profits forecasts for the company from

265m to 250m for the current year, and from 265m to 245m for next. The shares slipped 3 to 110p.

Bankers Lewis McDougall edged higher as speculation continued as to the intentions of Sunningdale, the investment vehicle partly controlled by Sir James Goldsmith, which owns a 29.9 per cent stake. Since BAT shareholders agreed to a management proposal on Thursday to restructure, REM has been backed by talk that Sunningdale could launch a bid. REM closed up 4 at 430p.

Food manufacturer Hazlewood fell back as BZW recommended a switch into food distributor Albert Fisher. Dealers also said speculation that Hazlewood might be involved in a bid had evaporated. Eyes had been raised after it emerged that Hazlewood had cancelled a presentation which had been scheduled for Thursday. Initially, traders assumed a takeover was in the offing, but by Friday the market began to doubt it. Hazlewood closed down 8 at 222p.

Other market statistics, including the FT-Acquiaries Share Index Page 9

Other market statistics, including the FT-Acquiaries Share Index Page 9

Other market statistics, including the FT-Acquiaries Share Index Page 9

Other market statistics, including the FT-Acquiaries Share Index Page 9

Other market statistics, including the FT-Acquiaries Share Index Page 9

Other market statistics, including the FT-Acquiaries Share Index Page 9

Other market statistics, including the FT-Acquiaries Share Index Page 9

Other market statistics, including the FT-Acquiaries Share Index Page 9

Other market statistics, including the FT-Acquiaries Share Index Page 9

Other market statistics, including the FT-Acquiaries Share Index Page 9

WEEK IN THE MARKETS

Kneejerk reaction swiftly fades

THE LONDON Metal Exchange's base metal prices suffered a knock reaction to the turmoil in the stock markets early on Monday as some investors sold to raise cash. But by the end of the day in London most had recovered a good part of their losses.

COMMODITIES

The prices on the LME this week fell to the lowest levels since the contract was relaunched on June 1. The decline has been precipitated by heavy influential merchant selling.

WEEK IN THE MARKETS

THE LONDON Metal Exchange's base metal prices suffered a knock reaction to the turmoil in the stock markets early on Monday as some investors sold to raise cash. But by the end of the day in London most had recovered a good part of their losses.

COMMODITIES

The prices on the LME this week fell to the lowest levels since the contract was relaunched on June 1. The decline has been precipitated by heavy influential merchant selling.

WEEK IN THE MARKETS

THE LONDON Metal Exchange's base metal prices suffered a knock reaction to the turmoil in the stock markets early on Monday as some investors sold to raise cash. But by the end of the day in London most had recovered a good part of their losses.

LEADERS AND LAGGARDS

Table showing percentage changes since December 30 1988 based on Thursday October 19 1989. Lists Agencies, Motors, Home & Household Products, etc.

BENCHMARK GOVERNMENT BONDS

Table showing benchmark government bonds for UK GILTS, US TREASURY, JAPAN, GERMANY, FRANCE, CANADA, NETHERLANDS, AUSTRALIA.

APPOINTMENTS

Mr Eric Varley has been appointed a non-executive director of GAYBELCO, Chesterfield. He is chairman of the Coalite Group, and is a former Industry Secretary.

APPOINTMENTS

Mr Richard Baker Wilbraham has been appointed deputy chairman of BIBBY LINE GROUP, Liverpool. He recently retired as a director of J. H. Rayner, Wagg & Co., and it is intended that he will take over the chairmanship when Sir Derek Bibby retires in June 1992.

APPOINTMENTS

Mr Michael F. Harris, vice president-advertising in New York for the FZANICAL TIMES, has been promoted to executive vice president-North America, responsible for the newspaper's business in the US and Canada. A daily edition of the FT is printed in New York. The newspaper is owned by Pearson.

APPOINTMENTS

Mr John R. Tetlow has been appointed secretary, NORTH WEST WATER GROUP, which is shortly to be privatised. He was group secretary, Tootal Group.

APPOINTMENTS

Mr Robert E. Barnes has been appointed director of European operations for ACTIVE MEDIA SERVICES INC, US, in its London office.

APPOINTMENTS

Mr Robert E. Barnes has been appointed director of European operations for ACTIVE MEDIA SERVICES INC, US, in its London office.

APPOINTMENTS

Mr Robert E. Barnes has been appointed director of European operations for ACTIVE MEDIA SERVICES INC, US, in its London office.

APPOINTMENTS

Mr Robert E. Barnes has been appointed director of European operations for ACTIVE MEDIA SERVICES INC, US, in its London office.

APPOINTMENTS

Mr Robert E. Barnes has been appointed director of European operations for ACTIVE MEDIA SERVICES INC, US, in its London office.

APPOINTMENTS

Mr Robert E. Barnes has been appointed director of European operations for ACTIVE MEDIA SERVICES INC, US, in its London office.

APPOINTMENTS

Mr Robert E. Barnes has been appointed director of European operations for ACTIVE MEDIA SERVICES INC, US, in its London office.

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-425-2128

Main table containing unit trust information with columns for company name, unit price, and other financial data. Includes sub-sections for 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

OTHER UK UNIT TRUSTS

INSURANCES

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cylitline. To obtain your free Unit Trust Code Booklet ring the FT Cylitline help desk on 01-925-2128

Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections like 'OFFSHORE AND OVERSEAS' and 'GUERNSEY (SIB RECOGNISED)'.

OFFSHORE AND OVERSEAS

GUERNSEY (SIB RECOGNISED)

MANAGEMENT SERVICES

LUXEMBOURG (SIB RECOGNISED)

JERSEY (SIB RECOGNISED)

FT UNIT TRUST INFORMATION SERVICE

Main table of FT Unit Trust Information Service, listing various unit trusts with columns for Name, Price, and Yield.

LONDON SHARE SERVICE

Main table of London Share Service, listing various shares with columns for Name, Price, and Yield. Includes sub-sections for British Funds, Foreign Bonds & Rails, and American shares.

Money Market Trust Funds
Money Market Bank Accounts
UNIT TRUST NOTES
These are a range of unit trusts...

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-825-2128

LONDON SHARE SERVICE

AMERICANS - Contd

Table listing American stocks with columns for stock name, price, and change.

BUILDING, TIMBER, ROADS

Table listing building, timber, and roads stocks with columns for stock name, price, and change.

DRAPERY AND STORES - Contd

Table listing drapery and stores stocks with columns for stock name, price, and change.

ENGINEERING - Contd

Table listing engineering stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.) - Contd

Table listing various industrial stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.) - Contd

Table listing various industrial stocks with columns for stock name, price, and change.

CANADIANS

Table listing Canadian stocks with columns for stock name, price, and change.

BANKS, HP & LEASING

Table listing bank, HP, and leasing stocks with columns for stock name, price, and change.

ELECTRICALS

Table listing electrical stocks with columns for stock name, price, and change.

FOOD, GROCERIES, ETC

Table listing food, groceries, and other stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.) - Contd

Table listing various industrial stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.) - Contd

Table listing various industrial stocks with columns for stock name, price, and change.

BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit stocks with columns for stock name, price, and change.

CHEMICALS, PLASTICS

Table listing chemical and plastic stocks with columns for stock name, price, and change.

DRAPERY AND STORES

Table listing drapery and stores stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.) - Contd

Table listing various industrial stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.) - Contd

Table listing various industrial stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.) - Contd

Table listing various industrial stocks with columns for stock name, price, and change.

BUILDING, TIMBER, ROADS

Table listing building, timber, and roads stocks with columns for stock name, price, and change.

DRAPERY AND STORES

Table listing drapery and stores stocks with columns for stock name, price, and change.

ENGINEERING

Table listing engineering stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.) - Contd

Table listing various industrial stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.) - Contd

Table listing various industrial stocks with columns for stock name, price, and change.

INSURANCES

Table listing insurance stocks with columns for stock name, price, and change.

BUILDING, TIMBER, ROADS

Table listing building, timber, and roads stocks with columns for stock name, price, and change.

DRAPERY AND STORES

Table listing drapery and stores stocks with columns for stock name, price, and change.

ENGINEERING

Table listing engineering stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.) - Contd

Table listing various industrial stocks with columns for stock name, price, and change.

INDUSTRIALS (Misc.) - Contd

Table listing various industrial stocks with columns for stock name, price, and change.

INSURANCES

Table listing insurance stocks with columns for stock name, price, and change.

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-625-2128

LEISURE
Table listing share prices for various leisure companies including Leisure Group, Leisure Leisure, Leisure Leisure, etc.

MOTORS, AIRCRAFT TRADES
Table listing share prices for various motor and aircraft trade companies including Commercial Vehicles, Components, and Carparts and Distributors.

NEWSPAPERS, PUBLISHERS
Table listing share prices for various newspaper and publishing companies including Newsprint, Newspaper, and Publisher.

PAPER, PRINTING, ADVERTISING
Table listing share prices for various paper, printing, and advertising companies including Paper, Printing, and Advertising.

SHOES AND LEATHER
Table listing share prices for various shoes and leather companies including Shoes and Leather.

SOUTH AFRICANS
Table listing share prices for various South African companies including South Africans.

PAPER, PRINTING, ADVERTISING - Contd
Continuation of Paper, Printing, Advertising table.

PROPERTY
Table listing share prices for various property companies including Property.

TRANSPORT
Table listing share prices for various transport companies including Transport.

TEXTILES
Table listing share prices for various textile companies including Textiles.

TEXTILES - Contd
Continuation of Textiles table.

TOBACCO
Table listing share prices for tobacco companies including Tobacco.

TRUSTS, FINANCE, LAND
Table listing share prices for various trusts, finance, and land companies including Trusts, Finance, and Land.

TRUSTS, FINANCE, LAND - Contd
Continuation of Trusts, Finance, Land table.

FINANCE, LAND, ETC
Table listing share prices for various finance, land, and other companies including Finance, Land, etc.

FINANCE, LAND, ETC - Contd
Continuation of Finance, Land, Etc table.

OIL AND GAS
Table listing share prices for various oil and gas companies including Oil and Gas.

TRUSTS, FINANCE, LAND - Contd
Continuation of Trusts, Finance, Land table.

TRUSTS, FINANCE, LAND - Contd
Continuation of Trusts, Finance, Land table.

FINANCE, LAND, ETC
Table listing share prices for various finance, land, and other companies including Finance, Land, etc.

FINANCE, LAND, ETC - Contd
Continuation of Finance, Land, Etc table.

OIL AND GAS
Table listing share prices for various oil and gas companies including Oil and Gas.

OIL AND GAS - Contd
Continuation of Oil and Gas table.

OVERSEAS TRADERS
Table listing share prices for various overseas traders including Overseas Traders.

PLANTATIONS
Table listing share prices for various plantation companies including Plantations.

MINES
Table listing share prices for various mining companies including Mines.

MINES - Contd
Continuation of Mines table.

REGIONAL & IRISH STOCKS
Table listing share prices for various regional and Irish stocks including Regional & Irish Stocks.

MINES - Contd
Continuation of Mines table.

THIRD MARKET
Table listing share prices for various third market companies including Third Market.

THIRD MARKET - Contd
Continuation of Third Market table.

NOTES
Table listing various notes and financial information including Notes.

REGIONAL & IRISH STOCKS
Table listing various regional and Irish stocks including Regional & Irish Stocks.

TRADITIONAL OPTIONS
Table listing various traditional options including Traditional Options.

TRADITIONAL OPTIONS - Contd
Continuation of Traditional Options table.

This service is available to every Company dealt in on Stock Exchange throughout the United Kingdom for a fee of £200 per annum for each company.

Weekend FT

SECTION II

Weekend October 21/October 22, 1989

The wolf is through the door

Antony Thorncroft reports on the funding crisis in the arts

ON NOVEMBER 20 the chairman of Britain's Arts Council, Peter Palumbo, the property developer, will lead the Good and the Great who sit on the council into Leeds Castle in Kent for the weekend and throw away the key. In this fairy tale setting, they will make a fantasy which has long gripped the British arts world. They will remove grants, stretching into millions of pounds a year, from some of the country's leading arts organisations. What had always seemed a distant threat will become a fact of life.

The council was set up in 1945 to act as a barrier between the Government and the arts, an example of the arms length principle designed to avoid state interference in arts creativity. Government provided the cash; the council distributed it. It was a unique institution, steering a middle course between the funding of the arts by state and city, common on the European continent, and the reliance on corporate and private sponsorship, weakened by tax advantages, practised in the US.

But now the British system is cracking up. The arts seem to have been in financial crisis for years, waiting for more money while at the same time new drama and opera companies, orchestras and arts centres have sprouted throughout the land. As Lobo Richter, secretary general of the Arts Council, says, "It seems permanent to be wearing a hard hat as I visit some new arts development."

He is convinced that doomsday has arrived. The council will be forced into an unwelcome bloodletting by Government parsimony. The obvious economies have been made; the reserves have been exhausted; and arts organisations have accumulated debts of at least £10m. In theory the Arts Council will raise to fund an arts organisation that fails to balance its books; in practice it has been forced to accept budgeted deficits.

Only enough of the crisis has been precipitated by a reform long sought by the arts world - three-year funding. It was argued that by knowing the size of their grant well in advance companies would be better able to plan their programmes. Two years ago Richard Luce, Arts Minister, introduced three-year funding, based on very low projected rates of inflation. He added a rider that if the economic situation changed radically he would raise the grant. The situation changed radically,

with inflation running at nearly 8 per cent against the 2 per cent planned increase in aid for the Arts Council in 1990-91, but no extra help has been forthcoming. Hence the crisis.

The council seems nervous to wield the axe; the only argument will be over the choice of victims. The soft option - an across-the-board, inadequate and minimal rise in grant for everyone - has been ruled out. The alternatives are to cut up to 50 of the small and medium sized clients, such as the Young Vic, an experimental theatre appealing to a younger audience, with its grant of £232,000 in 1988-89, or the Bath Festival, which received £38,500; or to dig deep into slightly larger arts companies, such as the English National Ballet, which took £1,356,500; or to cut off the four big orchestras - the London Symphony Orchestra, Royal Philharmonic Orchestra, London Philharmonic Orchestra and Philharmonia, which absorb £2m; or to really hit the hardest and drop one of the Big Four flagship companies (the Royal Opera House, Covent Garden; the English National Opera; the Royal National Theatre; and the Royal Shakespeare Company) from the list, although Palumbo has pledged himself to protect these "centres of excellence," which consume more than £27m in grants a year. Ditching the RSC, for example, would give the Arts Council an extra £5.5m to redistribute.

The council expects to hear of any improvement in its grant by the middle of next month. In the meantime, it is carrying out an unprecedented lobbying exercise. Palumbo has had a meeting with Mrs Thatcher, the Prime Minister; Luce has shown sympathy with the argument that the arts are victims of their own expansionary success and has asked the Treasury for extra money; anyone in the arts with influence at the highest level, such as Lord Sainsbury, chairman of the Royal Opera House (and of the supermarket chain that bears his name) who is a close friend of Mrs Thatcher, will have been



bending the ear that matters. The omens are not good. The arts have no voice in the Cabinet and it will take a direct intervention by the Prime Minister to open the purse wider. There will certainly be some extra cash but not nearly enough, and much of it is destined for those traditional allies of arts organisations who now appear as rivals - the museums. Their lobbying has apparently been more effective.

So far-reaching decisions will be taken at Leeds Castle. There is always the chance of a messy last-minute compromise. But the arts world has been so geared up for a major confrontation that the time for fudge is probably over. As Peter Jonas, general manager of the English National Opera puts it: "We are no longer crying wolf; the wolf has come through the door."

Jonas's experiences are typical of many leading arts organisations. He subjected his company to a management scrutiny - by management consultancy Price Waterhouse - and pushed through cost-saving changes in working practices; he has raised sponsorship income by more than fourfold in the past five years to £1.2m; attendances are close to capacity at 84 per cent last season, and a 23 per cent rise in seat prices since August should ensure box office revenue of £5.5m, making a 31 per cent contribution to turnover as against 21 per cent five years ago. Yet the ENO is budgeting for a deficit of £290,000, a sum which is just about the difference between its rise in grant - 2 per cent - and the rise in inflation.

To a great extent the Jonas experience can be repeated throughout the country. The Royal National Theatre is considering switching its Lyttelton Theatre to the repertory system, making successful productions, but reducing the range and challenge of its work. The English National Ballet has given up on new productions yet still faces an accumulated deficit of £330,000.

David Brierey, general manager at the Royal Shakespeare Company, says the view ahead is very bleak. Two years ago a £1m extra donation by the City of London helped clear the RSC's deficit. But it has started this season more than £1m in the red and the deficit is growing. Like other arts administrators Brierey points an accusing finger at the Government. In 1984 the RSC was subjected to a rigorous Cabinet Office inspection. It came through with flying colours, with the consultants recommending a rise in funding that should be constantly topped up. If the Government had kept to the findings the RSC would have received an extra £4.2m. In the event its annual subsidy has fallen from 44 per cent of revenue to 30 per cent in the past five years.

All these sob stories are drearily familiar but suddenly new factors have arisen which put the arts under intolerable pressure. One is the new Companies Act, which penalises directors if a company they are involved with goes bankrupt. An arts-loving businessman invited to join the board of a small dance company, or his local theatre, must now think twice. If the arts organisation goes into deficit, and the banks make it insolvent, he could now lose his seat on the family board.

A second cause for concern is that corporate sponsors are getting fed up with plugging the shortfall from inadequate Government funding. Arts sponsorship has surged ahead to £30m a year but now one leading sponsor, Ian Rushton of Royal Insurance - which backs the RSC with more than £1.1m - has signalled his disaffection. Corporate sponsorship was supposed to provide the icing on the cake - not the flour and water.

More ominously the major source of revenue - the box office - is also looking poorly. Ticket prices have risen substantially in the last year and all the Big Four companies, to say nothing of the South Bank concert halls, indeed virtually all arts organisations, have noticed a fall in audiences. Nigel Lawson's squeeze has hit the arts-going classes.

So a financial crisis is approaching on all fronts. To date just a handful of small travelling arts companies - including the avant garde Janet Smith Dancers and the revolutionary Foco Novo drama company - have called it a day. If it no longer be incredible if a flagship company went down with all hands.

"THIS IS the crunch," says Jeremy Isaacs, who just a year ago took over as general director of the Royal Opera House. He committed himself then to raising standards at Covent Garden through an energetic programme of new, imaginative, productions, presented by a more artisticistic staff. He finds himself embroiled in staving off an economic crisis which threatens Covent Garden with a record deficit this year of £10.5m. He is determined to raise the Arts Council grant for 1990-91, something around 15 per cent rather than the 2 per cent scheduled, he will have to axe Covent Garden's out-reach programme to schools, and to raise prices sharply again, perhaps to £120 for top seats. Both moves would go against the opera's aim of broadening its popular appeal and would also irritate the Arts Council.

But, says Isaacs, "I will only consider lowering standards at the death. I want to look in the shaving mirror in the morning and be proud of the service we are providing to the opera - and ballet-going

'I will only consider lowering standards at the death' - Jeremy Isaacs of the Royal Opera House

public." Jeremy Isaacs shares at least two characteristics with Lord Sainsbury, chairman of his board. They are both perfectionists who are keen to get their own way. Recognition as an answer to Government intransigence has probably slipped through the minds of both men. Both have been members of the Arts Council, and publicly that they are fed up with the constant squabbles over funding.

Like every major arts company in the country the Royal Opera House reckons it has more than done its bit in recent years but has been let down by the Government. Just over five years ago the Cabinet Office sent its team of management consultants, under Clive Friesley, into the Opera House. They came up with a report which basically said that the ROH was well run and, in return for various back stage economies, should receive more funding. For one year there was a substan-

tial uplift in the grant. Since then Covent Garden has been abandoned to work out its own financial salvation. Five years ago it had a turnover of £28m, of which £12.5m (or 53 per cent) came from Arts Council subsidy. In the last financial year it cost £23m to run Covent Garden of which the Government, through the Arts Council, contributed £14m, or 44 per cent. This year the grant will represent just over 40 per cent of turnover. By raising its box office revenue and boosting sponsorship, Covent Garden, though its own efforts, hoped to make good the Government shortfall.

But it seems to have approached the point of no return in expanding self sufficiency. In particular its sponsorship income. The main reason for this year's deficit is the sudden collapse in sponsorship. It was expected to contribute £7.5m, but it now looks like being £1m less. Companies, worried by a possible recession, are reluctant to

conch up £150,000 to underwrite a new opera production or to pay the premium for corporate seats.

At the same time Covent Garden can hardly increase its box office revenue by boosting audiences. It is already playing to 91 per cent capacity, although there are signs that Government attempts to dampen the economy have hit the pockets of opera and ballet lovers. The recent, well-received, production of Wagner's *Die Walkure* has not been the complete sell-out anticipated for works from the Ring Cycle.

The other factor in the sudden slide into deficit has been the rising wages bill, which now accounts for 63 per cent of total costs. As against a rise in grant of 1.7 per cent, Covent Garden gave its unions an average increase of 9 per cent. This might seem generous but members of the chorus only earn £245 a week and the cost of a dispute - £80,000 in lost revenue

from every missed performance - weighed heavily on the minds of management. Anyway Jeremy Isaacs does not believe that the staff should carry the can for inadequate Government funding.

He also does not believe that the most expensive singers should be banned from Covent Garden. This season Placido Domingo will be earning £12,000-plus a performance for singing Otello. The higher seat prices he can command will more than recoup the extra expense. Where possible though, the new management is saving on the cost of productions, mainly by mounting joint productions with other opera companies. For example, the modest cost of staging Tippett's *King Priam* in January, a production put together by Kent Opera, should ensure that this modern opera actually makes a profit for the Opera House.

As well as pointing out that it is playing to record audiences for less

a high note is partly behind the frenzied rush of new productions, the hallmark of the Isaacs era. The redevelopment, if the revised scheme is accepted by Westminster City Council, will cost £160m, with half paid for by commercial projects. The ROH must raise £25m itself while facing the prospect of three years in a rented home for the ballet company, ideally the Lyceum, while the Royal Opera concentrates on short seasons, such as presenting the Ring Cycle at the Royal Albert Hall.

Isaacs believes that the closure provides no potential savings but obviously the hiatus will prompt some review of the organisation's funding. With such a mess, current and prospective, the Minister for the Arts might well be tempted to take the opera house's financing - along with the Royal National Theatre, the English National Opera and the Royal Shakespeare Company - out of the annual scramble for inadequate Arts Council funds and pay it directly from Government resources.

The Long View

A recipe for financial instability

PERHAPS we should ditch the crash that never was, but the global stock market has been looking distinctly out of sorts during the past few days. And the volatility of Wall Street has become such that it is no longer possible to dismiss the 1987 collapse as a freakish one-off event.

Last week, I mused on some of the internal market distortions that have led us into this quagmire. But the behaviour of investors does not change for no reason. The disturbances must reflect the intervention of new investors influenced by different factors. We are, in fact, seeing the effects on the capital markets of the immense structural imbalances of the 1980s.

A little perspective is useful here. Going back a decade, the 1970s had their mismatches as well, but the trouble turned up in a different place. The big surpluses were then in the petroleum-producing countries and large, they were territories with little in the way of financial institutions and with no tradition of investment. So when their surpluses piled up as liquidity, they were content to leave it largely idle in the banking system, with one or two exceptions such as Kuwait and Brunei.

We all know the consequences. Once the banks came to regard it as their duty to re-cycle the money in order to stave off a global economic collapse, they set off down a very dangerous road. Loan officers

toured the world seeking ever more dubious clients, especially sovereign states that could never go bust.

Because of their blunders in the 1970s, the big American and British banks in 1980 were still writing down bad loans and are somehow staying afloat on the basis of fictional balance sheets and sympathy from central bankers. But at least, after a few years, those destabilising oil surpluses shrivelled away.

What replaced them, however, was not equilibrium but a new pattern of imbalances reflecting trade in manufactured goods. The chronic surpluses carried up in Germany, Japan and, increasingly, in other Far East exporting countries like Taiwan and South Korea. The deficits emerged in the US, and later in the UK and several other European nations.

This time the liquidity seemed primarily to countries with much more sophisticated financial sectors. Their institutions were natural investors in securities. In any case, the weakened banks were scarcely able to cope. So the feature of the 1980s has been an enormous growth in cross-border investment in bond and stock markets. For Japan alone, this flow of capital has reached as much as \$100bn a year.

Overwhelmingly, the investment has been concentrated in the bond markets. The role of the Japanese life assurance companies in financing the US



Substantial flows of securities across borders are sustaining the world economy but are also contributing to the rise in stock market volatility

budget deficit through thick and thin is famous; effectively, they have been offsetting the current balance of payments deficit at the same time. The Germans have been more sensitive than the Japanese to the ups and downs of the dollar, and they stopped buying dollar bonds in 1988.

Yet they became substantial buyers again in 1988 when the prospect for the US economy seemed enticing once more.

This kind of financing of trade deficits can ultimately be prudent only if some separate disciplinary process leads to a correction of the underlying imbalances. Unfortunately, there is no evidence that this is so. Eventually, there has to be a serious crisis of confidence when the foreign investors (or the domestic investors who second-guess them) realise that the imbalances are getting worse again.

Internal distortions have built up, too. The flood of bond financing from outside has depressed long-term dollar rates, flattening the yield curve and encouraging the leveraging of the American corporate sector. Entrepreneurs have been able to tap the debt markets to finance buy-outs and break-ups. Low bond yields have tended directly to boost the equity market.

For a long time, there was little substantial investment in US equities by the surplus countries. In the past few months, though, the Japanese institutions have become significant buyers of American stocks. So although US domestic investors have become concerned about the high valuation of stocks at a time when corporate earnings prospects clearly have been worsening, it has been possible for the bulls to talk about the importation of Tokyo's valuation standards.

With the approach of the "wall of money," all traditional notions of cheapness and dearness can be thrown out of the window. Or can they?

The evidence is, unfortunately, that Japanese investors treat foreign equities strictly as speculative trading assets. Moreover, it is a characteristic of strong flows into securities markets that they become self-justifying. Heavy buying pushes up prices, so that profits are made which encourage further buying. Unhedged buying across frontiers will serve to add currency gains to this heady mixture. We have seen all this in the US equity market during the past summer. But it can only be a temporary effect, because soon the foreign investors will want to take their profits. It is a recipe for instability.

Drawing again the parallel with banking, eventually the Japanese and German institutions will grow tired of financing endless deficits. But there is no telling when this will be because the Japanese institutions (although not the Germans) have shown remarkable perseverance in the past in pursuing what they presumably have regarded as overriding national priorities, rather than simply aiming at narrow investment objectives. Curiously, in the 1970s it was the international banks which were concerned to do their duty. Let's hope the Japanese life companies won't still be licking their wounds in 1989.

CONTENTS

| | | | | | | | | | |
|----------------------------|------|--------------------------------|-------|----------------------|------------|------------------|-------|---------------|--------|
| Finance Private investor | V | Books: Readers' Booker choice | XXIII | Arts | XXVI-XXVII | Food | XX | Stock Markets | II |
| Travel: Zambia and Florida | VIII | Arts: The fuss about ivory | XXIV | Books | XXVIII-XXX | Outstanding | XXIV | London | XXV |
| Wines: The '89 vintage | XII | Reports: Independent education | IX-XI | Bridge | XXI | How To Spend It | XXV | New York | XXVI |
| | | | | Class | XXII | Motoring | XX | Toronto | VIII |
| | | | | Crossword | XXXVIII | Small Businesses | VII | TV and Radio | XXVIII |
| | | | | Finance & the family | XX-XXI | Sport | XXVII | Wine | XX |

FIDELITY'S GLOBAL PERSPECTIVE

Focus on Fundamentals.

Recent events have once again shown us that stockmarket volatility is a fact of life for all investors today.

But, behind the short-term events, one fundamental truth remains unchanged. For investors prepared to take a long-term view, equity investment continues to be one of the best ways to build real gains over time.

Real value is evident in the shares of many companies around the world. Indeed, shrewd investors recognize that buying value at current price levels could very well maximise potential long-term returns. Identifying this sort of value is the very heart of Fidelity's investment approach.

It's at times like these that you really need the reassurance of knowing you have the resources, skills and experience of a truly global investment management house behind your investment. Fidelity offers just that strength.



Fidelity

Fidelity Investment Services Limited, Member of IMRO and IAU/IO, Member of the UTA.

Ref Code FT7D

MARKETS

LONDON

Not a disaster — but worries remain

FINANCE & THE FAMILY: THIS WEEK

The crash of '89 that hasn't quite happened

The world's stock markets shuddered once again this week but it was not the great crash that looked possible when Wall Street plunged last Friday...

Don't say you weren't told...

It's the Chinese Year of the Snake — and that means it's bad for speculation. So says Private Investor Kevin Goldstein-Jackson...

Societies soften the blow

The 1 per cent rise in mortgage interest rates, announced by the Halifax Building Society following the latest increase in base rates...

Taking stock of the markets

The latest turmoil in the stock market has made it more imperative than ever for private investors to know exactly what is going on...

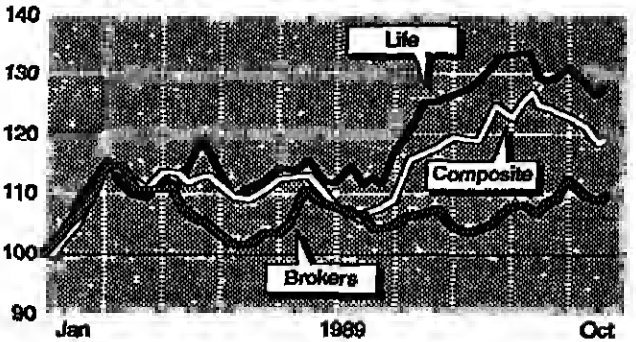
Minding Your Own Business

Roy Hodson discovers a couple in central London who are turning their enthusiasm for good cooking and vegetarian food into a profitable enterprise...

BRIEFCASE: Where there's a will — Page VI

Insurance

FT-Actuaries Indices



Insurance shares ride out the storm

Insurance company shares had a hectic week on the London Stock Exchange. First, they rode out the storm created by the general slump in prices on Wall Street...

Then, they were faced in the middle of the week by the earthquake horror in San Francisco and its obvious impact on the big UK companies.

Estimates of the losses impacting on the composites ranged up to around £35m for Royal — the worst affected of the UK companies — to minimal amounts for Sun Alliance and Guardian Royal.

New name, new facility

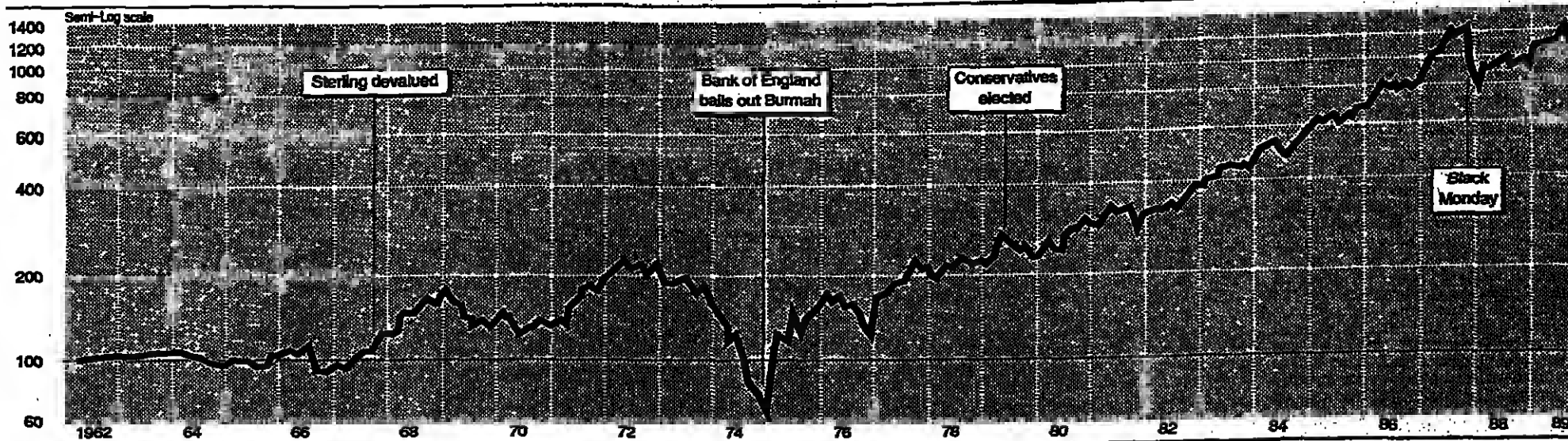
National Mortgage Bank, the new name for the National Home Loans Bank, announced this week that it will be offering a new mortgage facility...

Girobank, known originally as the 'people's bank', celebrated its 21st anniversary this week with the launch of a Visa gold card.

The TSB Trust Company is — at no charge — extending its share exchange scheme for accepting privatisation stocks to include Abbey National shares.

In a tough week for new issues, Ivory & Sime managed to attract applications for £28.92m ordinary shares in its I&S Optimum split capital investment trust.

FT-Actuaries All-Share Index



IT SOON became clear this was not the Big One, any more for the London and other equity markets than it was for California...

By the close of trading in London on Monday, there was no shortage of self-congratulation, and much of it was justified. We kept our nerve.

Although the FTSE-100 was more than 204 points lower at one point on Monday, it took heart from the rally on Wall Street and recovered to finish only 70.5 points down.

A final session loss of 10.2 points left the index at 2178.1, only 54.8 points lower than seven days previously.

SAY YOU had been out of town, perhaps enjoying some fly-fishing in upstate New York, thankfally out of telephone contact and relaxing without the daily newspapers.

It is far from certain, however, that London or any market would have been as resilient if Wall Street had plummeted on any day other than Friday.

From the rally on Thursday, it looked as though the Dow was back on track for 3,000 before the year-end. All the old suspects were doing well — all those entertainment and hotel companies that have been hot takeover tips all year.

The fact that this is the conclusion of many who WERE there to witness the events of

Chancellor Nigel Lawson's Mansion House speech on Thursday evening brought the expected repetition of the Government's economic mantra, but also an interesting gifts market experiment.

But if Tokyo had opened only four hours after the Wall Street close, as it normally does at this time of year, the second-day outcome might have been far less happy.

As the immediate crisis passed, however, the old recovery over the few years in UK rates. Economic indicators during the week gave mixed signals.

unambiguously that the deal was dead for the 'foreseeable future' — an horizon that extended to months, if not years.

If Tokyo had opened only four hours after the Wall Street close, as it normally does at this time of year, the second-day outcome might have been far less happy

the flops of the Acis Group and Waco Group rights issues. They will also end up with most of British Airways' £200m offer of convertible capital bonds.

There was much better news from Polly Peck International, however, where nearly 97 per cent of the £285m rights issue was taken up.

With deadly inevitability after the market collapse, the week was punctuated by the sound of unwanted shares falling on sub-underwriters' desks.

On a smaller scale, sub-underwriters were fortunate that the £6.3m rights offer by up-market wall-coverings merchant Colefax & Fowler had closed the previous Friday.

BAT Industries got shareholders' approval on Thursday to proceed with its proposed restructuring programme and to buy back some shares.

Roland Franklin's 590p cash offer for DBG looked more attractive at the beginning of the week, and his Memphis Investments took its stake up to 29.9 per cent with market purchases on Monday.

Some companies get 'unbundled' in other ways, with shareholders' relinquished to the end of the queue. The agenda of such involuntary corporate reconstruction, of course, are receivers, and Talbot Group this week became the second listed company in a matter of days to meet this fate.

profits of £76m for the year to June 30, less than half the figure for 1987-88. The consumer electronics company now wants to buy-in its own shares — a conventional enough procedure these days — but chairman Alan Sugar added spice by hinting that he might take Amstrad private if the stock market did not treat him better.

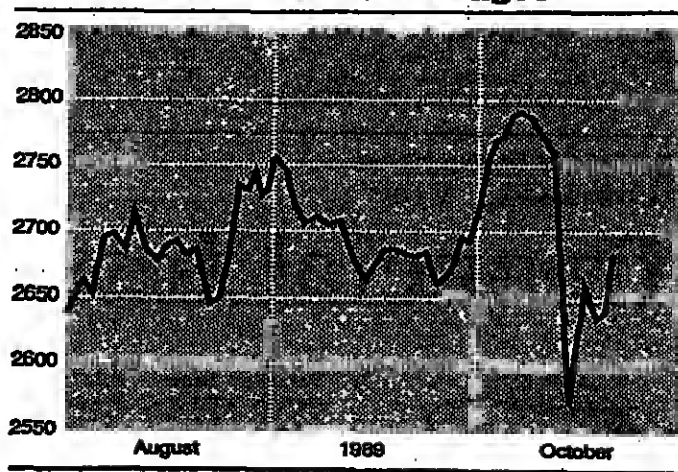
The only other results of any note came from the engineering group Hawker Siddeley, which increased interim pre-tax profits by 16 per cent to £92.2m.

Clay Harris

WALL STREET

When even the arbs panicked

Dow Jones Industrial Averages



who gets freaked-out by a 190-point fall in 45 minutes doesn't understand a modern market and shouldn't be in it. This camp doesn't talk much about economics.

The other camp became increasingly worried. Abby Joseph Cohen, investment policy analyst at Drexel Burnham Lambert, believes that the economic backgrounds of the 1987 crash and the brief free-fall on October 13 are crucially different.

the mainstream are investors whose life-blood is taking risks, and making clever stock decisions which do not rely on the overall health or sickness of the broad market.

The arbitrageurs belong to this group. Many of them took a bath on October 13 as so-called deal stocks plummeted but, for many, those were paper losses.

By Thursday afternoon, the broad market had recovered a good proportion of the ground that had been lost and the speculative money was back pushing up stocks such as Holiday Corp, which has long been rumoured as a takeover candidate.

Both of these highly divergent views are embraced by the mainstream of the US investment community, which is by nature conservative and risk-averse. On the fringes of

from the broad market. Brian Fernandez, managing director of Bryan Murray, Foster Securities, likens the 190-point drop to a centrifugal force that broke-up a unified market of shares.

Does speculation in takeover issues actually matter to the market in the long-term? Some would say that hot money provides much-needed liquidity to the broad market.

The reliance on this kind of valuation means that, if the flow of deal transactions were to level-off, asset values across the board would fall and a ceiling would have been placed on the market by the experience of October 13.

Monday 2687.38 + 88.18
Tuesday 2688.73 - 15.65
Wednesday 2648.65 + 0.42
Thursday 2653.20 + 39.55

Janet Bush

Smaller Companies Share turbulence rocks the minnows

20 worst-performing shares between Friday and Monday, half were on the Third Market or USM, and 14 were 'gamma' stocks, with low marketability.

after, says Brian Winterlood, 'It has been awfully quiet.' Part of the reason for this change of behaviour rests with a subtle shift in the nature of smaller company investors.

largely vulnerable. Compared with large companies, small companies are geared more highly, with narrower spreads of activities, smaller customer bases and few export sales.

With sky-high interest rates, there is a distinct danger of a recession in which smaller companies would be particularly vulnerable.

years have been well above those for large concerns — will slip below them. Peter Hewitt, of First Charlotte Assets Trust, believes: 'The way the market has been de-rating small companies, we are going to see companies on P/E's of 7 or 8.'

ment for a limited period. 'We may be somewhere near the bottom of the cycle. Interest rates are not going to get higher and political considerations are coming into play in the next six months.'

Vanessa Houlder

THE SMALLER company sector has acted rather like a lightning conductor recently, drawing down on itself all the problems in the economy at large. After several months of disappointing profits and share price performances, the misery intensified this week as smaller companies took the brunt of the stock market's turbulence.

FINANCE & THE FAMILY

A time for caution

Sara Webb talks to finance gurus on the stock market fall

David Fuller, chairman of Chart Analysts

"The global bull market is over. The gains in 1989 were very strong and that kind of acceleration is a classic old-fashioned blow-off."

"Before this Monday, the UK market had already seen its biggest decline off the September peak since the October 1987 crash. I see no chance of the UK market challenging its high - this is a fully-fledged global bear market. The best the market could do is range sideways beneath the peak, but I doubt this will happen for long before it falls. The minimum downwards movement is for it to retrace its entire 1989 gain."

"I feel there is a dangerous complacency today and people are acting as if Friday didn't happen - there was absolutely no way we were going to get an identical replay of 1987 this week because this time people did what they wished they had done in 1987, but world markets have lost the prop of the takeover speculation to hike prices upwards. This time around I expect a slow rate of decline but a bear market that is no less severe."

Ms Andrea Nugent, head of pension fund investment at Henderson Administration

"The most important thing to remember is that the background to Monday's crash is completely different. Whether a bunch of guys are buying an airline or not is completely irrelevant to the market."

"People ask if the '87 crash could happen again - but val-

uations couldn't get to where they were then for there to be a repeat of such a correction. What hasn't changed is the propensity of market makers to panic and for the media to get hold of a story and it blow it up, given that it was two years on from the last crash and Friday the 13th.

"There's no reason to suppose we might not still have the odd day of mainly market-maker driven nervousness. But if anything people are buyers you can pick plenty of stocks where over 50 per cent of the profits are generated abroad. We also have a scenario now where expectations are considerably lower than they were two years ago. We are not in a bull market, it's more a question of avoiding the disasters."

"I don't think the FT-SE index is going to roar away from here, but I don't see it collapsing either. It could be 2,250 or 2,300 at the year end."

David Prosser, group director of investments at Legal & General

"This is a good time to sit on your wallet. The UK market is back about 10 per cent from its peak, with continuing high interest rates in the UK and the forthcoming water privatisation, we are still a bit cautious. We need more evidence that the economy is slowing before we change track. We sold back in August and now we're sitting on our hands and waiting for the right time to buy. We weren't buying on Monday, but when the market was 200 points down it reached a level at which we thought we might start buying - although if it then started to go up, we're always looking for significant underperformance - we found some but didn't buy the market as a whole."

"The sharp fall in Wall Street woke everyone up to the fact that you can't extrapolate

growth in equity prices. Prices have been very strong this year and people are sitting on quite good profits. The markets which look interesting are Japan, where the economy is still quite sound, and certain European markets which have some potential for recovery, like West Germany."

Fred Carr, Capital-Cure Myers

"We thought Monday's fall was a flash in the pan. Our view is that investors flew into an air-pocket and what the Americans call the big invisible glass mountain in the sky."

"There was always the possibility of another fall after October 87, but the underlying conditions were entirely different then. The speed of communication in world markets means we must get used to seeing air-pockets. Nothing fundamental has changed about world markets."

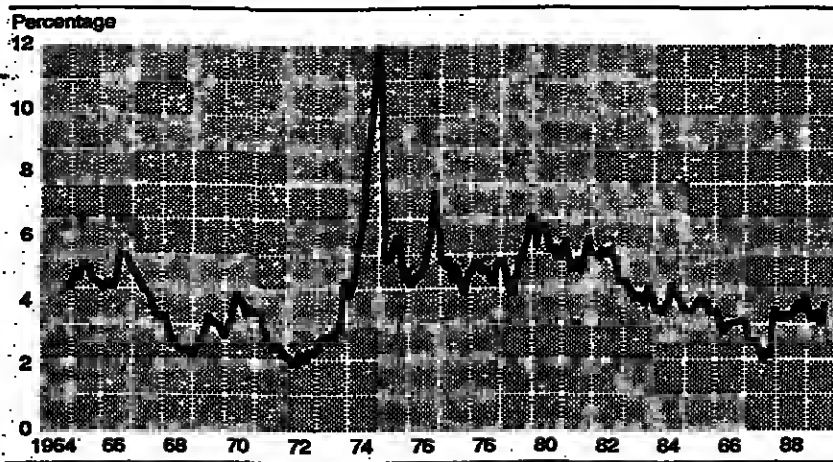
"There's an awful lot of bad news in the UK market, but then the British have a tendency to beat themselves with lumps of poisoned granite. The side-effect is that bad news gets into the UK market very quickly. "We certainly don't expect to see a general recession, and we're not quaking in our boots about what could happen to the UK market."

"Investors are very silly if they are blown off course by recent events. Monday was a good time to buy though not many private investors did."

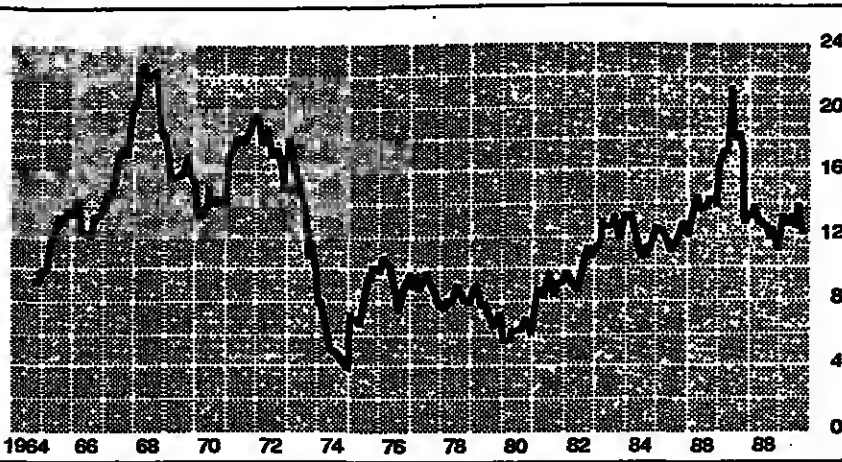
"The FT-SE 100 index will probably be at the same level as now, plus or minus five per cent, at the year end. Short-term it's more likely to come down 5-10 per cent."

"As a private investor, you'd have to be thinking very tactically to liquidate your portfolio completely - especially given the cost and problems of re-entering the market, and the potential Capital Gains Tax liability."

FT- Actuaries All-Share Index - Dividend Yield



FT- Actuaries 500 Share Index - P/E Ratio



IF YOU are even a little bit superstitious it is easy to be spooked by the stock market's recent gyrations.

This is the 12th year in a row that the London equity market has risen, and the recent drop in share prices was triggered by Wall Street's 7 per cent fall in the final hours of trading on Friday 19th. The Americans have even invented a word for the market's worries about the number 13 - triskaidekaphobia - and if the fact that some of the biggest falls in Wall Street's history have been associated with earthquakes is taken into account, then you can work yourself up into a very nervous mood.

However, unless you want to abandon all efforts at sensible investment decision-making and rely entirely on the neighbourhood astrologer, it is worth stepping back and looking at where the equity market has come from and how its current valuation compares with previous high and low points. The conclusions are far less exciting but should provide some modest reassurance for the small investor.

The current bull market began in October 1976 when the FT-A Allshare index stood at 116. Inflation was running at over 15 per cent, the yield on

Triskaidekaphobia

William Hall on how to avoid superstitions

2% Consols was 15.7 per cent and equities were yielding 8 per cent. From then until the market's peak of 1,538.57 in July 1987, share prices rose more than ten fold and even after the recent setback equities are only 11 per cent below their all-time high.

There has never been an upwards move of this length or magnitude in the modern history of the stock market. One has to go back to the Second World War, when the FT 30 index rose between 1940 and 1945, to find such a benign period for equity investors. In past bull markets, it was rare for share prices to rise for more than three straight years in a row and until the present run began share prices had fallen in almost as many years as they had risen since the FT began compiling its stock market statistics.

The reasons for the rise are not hard to explain. Long-term interest rates have fallen by 40 per cent, inflation - despite its recent uptick - is running at

less than a third of its peak in the mid-1970s, and the share of profits in gross national production has risen dramatically. The corporate sector has enjoyed a huge bonanza and this has been reflected in the price earnings ratio on the FT-A 500 which has risen from 7.1 to 12.1, currently, and a near halving in the average dividend yield.

In only one year (1981) have profits actually fallen and although 1989 and 1988 were years of very modest profit growth, corporate earnings have risen by an average of 13 per cent a year since 1978. This has been more than matched by dividend growth.

Against this rather heady backdrop, investors have to decide whether the current market valuations adequately reflect the risks of continuing to invest in equities.

becomes a bit more murky.

The current yield of 4% per cent on the FT All-Share is below the long-term average of around 5 per cent but is above the 4% per cent average of the last five years. Long term comparisons of equity yields are always dangerous since inflation in the 1970s was considerably higher than it is today. However, S.G. Warburg says that the peak yield on the FT All-Share index was 13.2 per cent in late 1974 and it hit a low of 2.78 per cent in July 1987.

As a general rule of thumb when the market is yielding over 5 per cent it is reasonably cheap and when it is yielding under 4 per cent it is expensive. On the eve of the 1987 market crash it was yielding just 3 per cent, which with the benefit of hindsight seems grossly out of line especially now that the British economic miracle seems to be evaporating.

The historical comparisons are reasonably reassuring, but when it comes to looking at the future for corporate dividends and earnings, the outlook

also does not look particularly out of line. In the golden days of the 1960s, the market was often selling on 17 times earnings.

Warburg's says that the historic multiple has ranged from a high of 21 in July 1967 to a low of 2.7 in December 1974. But more recently the market has traded between 10 and 14 times historic earnings, and the current 12 times earnings is bang in the middle of Warburg's long-term range.

Another handy tool for valuing equity prices is the yield ratio, which is the yield on gilt-edged dividend by the yield on the FT All-Share index.

However, using the yield on 2% Consols over the FT All-Share, equities are generally regarded as cheap when the ratio drops below 2 while once it gets above 2% equities are beginning to look expensive. For comparison, the yield ratio on the eve of the 1987 crash was 3.1, while it is now 2.1.

However, equity prices are driven far more by perceptions of the future than by past experience and while historical p/e ratios might look reasonable, prospective p/e's are much more suspect.

Most analysts have been shading down their profit forecasts.

Put into perspective

Andrew Hill examines the market's performance

ANALYSIS OF the market's performance since its high point in early September seems to put Monday's market correction in perspective. It was not the greatest crash since the few days of last week - indeed, the most falling influences on equities since September have been bids - launched, recommended and failed - and the continuing impact of high interest rates.

Merchant bank stocks, for example, which predictably showed the second largest percentage fall on Monday, have proved more resilient than all but four other sectors since the market peaked. That is partly due to bid speculation surrounding Morgan Grenfell - one of the five best performing shares in the market - and partly to the apparent health of the corporate finance sector before this week's equally market. Continuing weakness, of course, is likely to put a damper on all but the fiercest predators.

The FT-Actuaries indices were led down by property companies, stores, electricals groups and food retailers. Three of the five worst FT-SE 100 shares - Asda, Burton and back up the production line, Cookson - are suffering from the retailing downturn. In the market as a whole, Lowndes Queensway, Dixons and Amstrad carried the can for retail and electricals groups.

However, to the surprise of some industry analysts, the three insurance sectors have proved to be the most resilient since the stock market peaked on September 5.

BEST AND WORST PERFORMING STOCKS AND SECTORS

From the market peak on September 5 up to close of trading on Wednesday October 19

| SECTOR | % CHANGE |
|------------------------|----------|
| Property | -17.7 |
| Stores | -18.9 |
| Electricals | -18.5 |
| Food retailing | -16.0 |
| Mechanical engineering | -15.6 |

| FIVE BEST | % CHANGE |
|-----------------------|----------|
| Insurance (brokers) | +0.1 |
| Insurance (composite) | +1.6 |
| Insurance (life) | +3.4 |
| Oil and gas | +4.0 |
| Merchant banks | +4.2 |

| Source: FT-Actuaries Share Indices | % CHANGE |
|------------------------------------|----------|
| FT ALL SHARE | -10.9 |
| FT 200 | -11.7 |
| FT-SE 100 | -10.2 |
| FT 30 | -12.4 |

ALL COMPANIES

FIVE WORST

| Company | % FALL |
|-------------------|--------|
| Lowndes Queensway | -41.5 |
| A. Goldberg | -38.8 |
| VPI | -37.1 |
| Dixons | -36.6 |
| Amstrad | -36.4 |

FIVE BEST

| Company | % RISE |
|-----------------|--------|
| James Neil | +27.0 |
| Pearl Group | +23.7 |
| Aitken Hume | +20.7 |
| Morgan Grenfell | +18.4 |

FT-SE 100 COMPANIES

FIVE WORST

| Company | % FALL |
|--------------|--------|
| Asda Group | -31.4 |
| Burton Group | -27.7 |
| STC | -24.3 |
| Pitkington | -21.7 |
| Cookson | -21.4 |

FIVE BEST

| Company | % RISE |
|-------------------------|--------|
| Maxwell Communication | +8.9 |
| Polly Peck | +8.2 |
| Commercial Union | +4.5 |
| Royal Insurance | +1.1 |
| Guardian Royal Exchange | +0.4 |

Source: Datastream

So which companies were the big winners as the market deflated? Jaguar topped the league of all companies. Its share price soared last month when Ford announced it wanted 15 per cent. As the market closed on Wednesday night it was still 86 per cent up, in spite of falling back 10 days ago when General Motors revealed it too was interested in buying a chunk of the UK group.

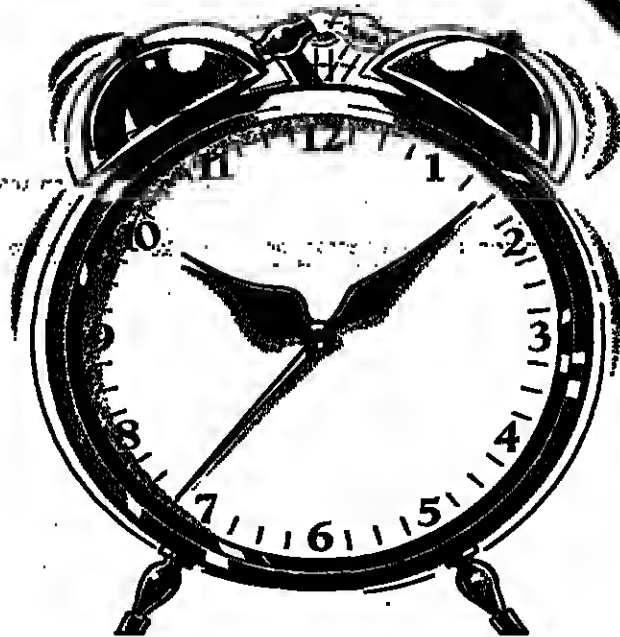
One of the FT-SE 100 index, the strong performance of Maxwell Communications Corporation - one of only five Footsie stocks to rise since September 5 - was most notable. An

unbeaten 88 per cent rise suggests that publisher, Mr Robert Maxwell, for so long regarded as a maverick by the markets, is beginning to work his spell again - or perhaps investors are reassured by evidence that his son, Kevin, may be taking a larger role in the management of the empire.

The biggest losers over the last month do not appear on the table. They were Shary & Law, the shopper, and Talbot Group, a contract filler of consumer aerosol products. Their shareholders already know the worst: both companies have called in the receivers within the last 10 days.

MIM BRITANNIA - THE TAXHAVEN

TIME IS RUNNING OUT



15 RUNNING OUT IN 9 WEEKS TO GO

An Unrepeatable TAX FREE 'Loophole' Will Be Wiped Out. Permanently. On 31st December.

Quick Discover TAXHAVEN. Now before the taxman brings this unrepeatable opportunity to a hasty end.

In 1989 ONLY, the Chancellor will allow you TWO SHARE PEP's (Personal Equity Plans) - the new maximum PLUS the pre-budget limit.

But AFTER 31st DECEMBER, THE MAXIMUM YOU CAN INVEST IN TAX YEAR 89/90 FOR TAX FREE PROFITS WILL BE SLASHED...

1. From £7,800 down to £4,800 for individuals.
2. From £15,600 down to £9,600 for couples.

You can invest from just £1,000. But why not take maximum advantage before it's too late?

IT'S EASY TO TAKE FULL ADVANTAGE WITH TAXHAVEN

TAXHAVEN is a share PEP which invests directly into UK shares for COMPLETELY TAX FREE investment profits.

FREE of income tax. FREE of capital gains tax. Even for higher rate taxpayers! With PENALTY FREE access to your cash. Any time.

SELL YOUR EXISTING SHARE OR UNIT TRUST HOLDINGS FREE

You don't have to be an existing holder of UK shares or unit trusts to benefit, but if you are, we can arrange the sale of any readily marketable holdings for you, investing the proceeds into TAXHAVEN. And we'll absorb ALL your dealing costs.

MIM Ltd is a member of IMRO.

No ready cash available? Send us your UK share and unit trust certificates. We can sell them for you, absorbing all dealing costs and invest the proceeds into TAXHAVEN. CALL US FREE ON 0800 010 333 9.00am - 6.00pm weekdays. 9.00am - 1.00pm weekends.

A WINNER ALL THE WAY

MIM Britannia are market leaders in PEP's. Last year we topped the Daily Telegraph's 1988 PEP League Table with our Special Situations PEP via MIM Limited our investment management company which manages TAXHAVEN.

Of course, past performance is no guarantee of future success. You should remember that share prices can fluctuate, and investors may not get back the amount they have invested.

DON'T MISS OUT!

This opportunity ends on 31st December. It will not be extended. So hurry. Speak to your financial adviser, or complete and return the coupon below, or call us FREE on 0800 010 333.



FREE The TAXHAVEN Information Pack - Send for yours today!

To: MIM LIMITED, 11 DEVONSHIRE SQUARE, FREEPOST, LONDON EC2B 2TT.

Please send me details of the TAX FREE BENEFITS I can get with TAXHAVEN. I understand that my enquiry places me under no obligation and no salesman will call.

NAME _____

ADDRESS _____

POSTCODE _____

POST TODAY. NO STAMP NEEDED.



THE PORTFOLIO PEP

for the enlightened investor

Prepare NOW for Dec. 31st deadline

No initial or annual management charges. Self selection of investments. Free advice.

Tax free income distributed or retained. Complete freedom from capital gains tax.

Invest up to £7,800 now by combining 'old' and 'new' style plans before Dec. 31st deadline.

Husband and Wife may combine their plan for the purpose of management, making one portfolio of up to £15,600.

Standard stockbroking commissions of 1.65% (Min. £40). Dividends are credited gross, subject to a charge of £7.50 (incl. V.A.T.).

KILLIK & CO
STOCKBROKERS

Members of The Stock Exchange & T.S.A.

CALL NOW ON

01-589 1577

FOR DETAILS

The Portfolio PEP

OR POST COUPON TODAY

Please send me details of The Portfolio PEP.

Name _____

Address _____

Postcode _____

Killik & Co. 45 Cadogan Street, London SW3 2JQ.

FT 21/89

FINANCE & THE FAMILY

Diary of a Private Investor
Don't say I didn't tell you

WHEN WALL STREET fell on Friday, October 13, by 190 points, I felt that my caution towards the market was about to be proved right, and we would see either a crash or, at least, a steady downward slide in share prices.

I have been pessimistic about the market for some time following the initial rise in interest rates. I believe that high interest rates lead to an overvalued pound (which encourages cheap imports and hampers exports, making the balance of trade situation even worse). It leads to an inflow of "hot money" (the interest payments on which adversely affect our "invisibles") and increases borrowing costs to manufacturers, who then decide to cut back on re-equipping and expansion plans which make them even more uncompetitive.

British manufacturers then try to pass on their higher costs to consumers who, affected by increases in mortgage rates, then start industrial action for increases in wages - and so inflation increases, rather than decreases, and we head for an economic slump.

Thus, when Lawson pushed interest rates to 15 per cent early this month, I thought: "That's it. Britain has had it. What shares can I sell?"

I was pleased that I had sold many of my shares in property companies in June. Unfortunately, in early August, I sold some of the proceeds from those sales to buy shares in companies like BMC group and Sycamore Holdings, which promptly started to fall in price. Should I cut my losses and sell? I felt increasingly uneasy about the market as a whole.

It was possible to get high interest rates from the safety of a bank account - so why risk it on shares? The events of Friday the 13th convinced me to sell many of my shares. Having predicted the crash of '87 and managed to take "avoiding action" just before the event, I was concerned that this time I had left it too late.

It's the Year of the Snake - bad for speculation, says Kevin Goldstein-Jackson

fallen. Only the Dow Jones Industrial Average had risen 88.12.

The Dow Jones index, although widely quoted, is based only on the shares of 30 companies. This made me wonder whether some sort of agreement had been reached over the weekend in the US, where support was promised to certain of the shares in that index so that it would go up, thus causing a change in sentiment.

Sentiment is a fickle thing. The market rallied in spite of bad news this week. There were problems with junk bonds; receivers called in to two British-quoted companies (Talbot and Sharp & Law); receivers appointed at Finlays; reports of a slump in profits at Amstrad and a number of other companies; and private building contractors seemed to be going to the wall in increasing numbers.

If property prices fall and interest rates stay high, then



what happens to the security underlying a 100 per cent mortgage on a £150,000 home if the property is only worth £100,000? Our trade deficit (and that of the US) still looks horrendous.

There are still enormous problems with Third World debt and the US has problems involving hundreds of billions in its savings and loan institutions. Hong Kong has considerable problems with China. Australia and New Zealand are heavily in debt. Japanese company valuations appear to be created in fantasyland.

To top it all natural disasters seem to be on the increase. In an FT article in November, 1987, I wrote: "I am also concerned at the level of earthquake activity reported in the US and Pacific regions... Is it building up to a major disaster?"

Will the earthquakes this week in San Francisco and China lead to bigger quakes in the Los Angeles region and Japan?

Added to which, it is the Chinese Year of the Snake. The year began on February 6, and is supposed to be a good year for political coups d'etat and a bad year for speculation and gambling, and is quite often a year of natural disasters. Not that I believe in this sort of thing myself - but, if others do, then their sentiment will affect the market. And it's enough to make people run to the security of Swiss bank accounts.

I may well be proved completely wrong, and the market will continue to go up. I now have a much reduced share portfolio - but caution and high interest rates will make me very reluctant to increase it.

John Edwards looks at what's on offer following the base rate increase
Repayment mortgages - a flexible friend

THE 1 per cent rise in mortgage interest rates, announced by the Halifax following the recent increase in the base rate, has set the trend for other building societies. Several of them confirmed this week that they were putting up their standard rate to 14.5 per cent and it looks increasingly likely that the clearing banks will have to move their rates to around this figure. Indeed on Friday Barclays raised its mortgage rate to 14.75 per cent, which is comparable with 14.5 per cent charged by building societies on repayment loans because of the different way of computing interest.

Some societies have tried to soften the blow by offering fixed-rate mortgages at lower levels or special rates for new borrowers. National & Provincial, for example, has put aside £50m for mortgages at a fixed rate of 12.95 per cent for three years. Shorter-term fixed-rate home loans, at 13.5 per cent are being offered by Scarborough and Norwich and Peterborough societies, while Lambeth has an unusual deal in giving a special rate of 13 per cent on new loans of over £30,000 and guaranteeing that the interest rate will remain 1.5 per cent

below its standard rate for the first 12 months. Cheltenham & Gloucester is holding down its base mortgage rate for new borrowers to 13.5 per cent, while increasing the cost to existing borrowers by 1 per cent to 14.5 per cent. Andrew Longhurst, managing director, says the society is adopting a "simple, straightforward approach to attracting new business." But one wonders what existing borrowers will think of effectively subsidising new borrowers. An argument in favour of the tier structure is that the lower rate will particularly help first-time buyers, who are the main influence in fuelling the housing market and keeping values up for everyone. But those paying more may not take such a dispassionate view and may be tempted to move elsewhere.

Northern Rock is adopting the same policy. For new borrowers the old rate of 13.5 per cent will apply at least until next February. But existing customers, who find difficulty in meeting the new rate which has been put up to 14.75 per cent, will be given the option of maintaining their existing monthly payments by extend-

| REPAYMENT/ENDOWMENT MORTGAGES | | | |
|---------------------------------------------------|---------|---------|---------|
| (Male aged 35/ Female 30 - £50,000 over 25 years) | | | |
| | 10.5% | 12.5% | 14.5% |
| REPAYMENT | | | |
| Capital/Interest | £422.55 | £482.50 | £544.50 |
| Mortgage protection | £21.35 | £21.35 | £21.35 |
| Total monthly outlay | £443.90 | £503.85 | £565.85 |
| ENDOWMENT | | | |
| Interest only | £371.88 | £442.71 | £513.55 |
| Endowment policy premium | £58.00 | £58.00 | £58.00 |
| Total monthly outlay | £430.88 | £500.71 | £571.55 |

ing the repayment period. This is fairly simple with straight repayment loans, but could be complicated and expensive for those with so-called endowment or pension mortgages. Over the past few years the number of straight repayment mortgages taken out has dropped dramatically and the banks and building societies have persuaded many borrowers to switch to endowment mortgages. The real reason for this change is, of course, that the lenders receive commission on the endowment or pension policies that are used as the repayment vehicle and this provides them with a valuable

extra source of income. But they were able to claim, when interest rates were lower, that the combined payment of interest on the loan and the premium on the endowment policy, were lower than the monthly amount of interest and capital, plus a mortgage protection policy premium, needed for a repayment mortgage.

Nevertheless at the moment there is an irrefutable argument that repayment mortgages are cheaper and a great deal more flexible. With the pressure on many borrowers and especially first-time buyers may want to have a straight repayment mortgage. But beware. You may have to shop around, or be ready to have a battle on your hands. With repayment mortgages, the societies earn much less commission on the mortgage protection policy, so they will strongly plug the endowment alternative or pretend repayment loans no longer exist.

STOCK MARKET crashes inevitably dent investor confidence, whether they are investing directly in shares or indirectly through unit trusts. So was this week really the right moment for Laurence Keen, the private client stock broker firm, to launch its first unit trust, an income and growth fund which will invest mainly in the UK, and its accompanying Personal Equity Plan?

Mark Powell, chief executive, said that the original idea was to "pick stocks, not sectors" and to look for the "good value in beta stocks, in other words grown-up companies which are

Keen launches a unit trust

doing rather well and are not subject to takeover rumours." Laurence Keen previously had close links with the Framlington stable of funds (dating from the time when Laurence Keen was part of Laurence Trust, the group which controlled Framlington, following its "demerger" in 1986, when Laurence Keen kept the private client business and decided to branch out into the unit trust field itself). Powell claims that for many

fairly wealthy investors there is a strong capital gains tax case for investing through a unit trust. "Typically our clients are hemmed in by capital gains tax: for many of the blue chips, you find that going back in time they have overtaken inflation, and despite indexation clients end up exceeding their annual exemption and then they have to pay CGT." The Laurence Keen Income and Growth Fund is pitched at the small investor with a mini-

mum investment of £1,000. Normally, Laurence Keen stipulates a minimum of £50,000 for its private client discretionary business. Powell says that for such existing clients, the unit trust could be used to allow limited exposure to "unusual or unmarketable (ie, beta) stocks, rather than taking the risk of putting a large chunk of these shares straight into a private client's portfolio. There is an initial charge of 5.5 per cent, and an annual

management charge of 1 per cent. The PEP is either an accumulation plan or income plan. With the income plan, investors can withdraw 5 per cent of the amount invested (in two equal half-yearly instalments). Investors can put £2,400 in unit trusts or investment trusts into the PEP and top it up with shares. The initial charge is 1 per cent, and the annual charge is 1 per cent (which is reduced to 0.5 per cent for any part invested in the Laurence Keen Income & Growth fund).

Sara Webb

Try the money markets

WITH INTEREST rates at high levels and stock markets in a volatile state, this could be the time for investors to consider switching into money market funds. These are attractive for several reasons. Their yields are competitive and the charges are relatively low; most of the funds have no initial charge, an 0.5 per cent annual management fee and a single price (in other words, there is no bid-offer spread). Some fund management groups offer special switching discounts if you use the money market trust as a resting place for your money in between investing in equity trusts.

A further advantage which unit trust groups have spotted - and which could lead to the launch of more cash funds - is the fact that non-taxpayers can reclaim the tax paid on unit trust dividends, whereas they cannot do so with a building society account. The Savings Corporation's Harbour fund, which is one of a small handful of cash or money market unit trusts, invests only in building society products, by buying gilts through the National Savings stock register, or by investing in an offshore fund. The minimum investment for money market funds varies. Fidelity's Cash Unit trust requires a minimum of £1,000, but for the two Savings Corporation funds (the Harbour fund and the City Reserve fund) and the Providence Capital Money Market trust, you can get in with £500 and £250 respectively.

Some fund management groups were quick to promote their cash funds when the stock markets fell on Monday, fearing that they could lose clients if there was a stampede out of equities. Fidelity advised investors in its equity trusts to switch into the Cash fund instead. Gartmore decided on

Monday to allow its investors to switch out of equity funds into its Money fund. Savings Corporation's aim with the Harbour fund was to provide an investment which would compete with building societies for the cash part of the portfolio, and allow investors to switch out of equities

When the rules for money market trusts were introduced, the industry found it was almost impossible to generate a yield that would compete with building societies because of the way they would be taxed. An alternative form of trust has evolved, using a restricted list of assets, which attracts a more favourable tax rate.

This is the type of fund set up by Fidelity. Its Cash Unit trust invests in bank deposits and some short-dated gilts. These are all short-term investments, with the longest maturities at just over three months. The fund has been fortunate in its timing, with interest rates generally - and short-term rates, in particular - at very high levels.

Trusts with a wider permitted range of assets can move in and out of a range of vehicles, taking advantage of interest rate differentials to protect the fund in adverse conditions. The more aggressive range of investments, though, attracts higher tax rates. Such a fund would also be riskier. It might, for instance, use gilts to guard against falling interest rates, with an increase in dealing costs and a capital risk.

Most money market funds, although they have to carry a warning that "unit prices can fall," should protect investors' capital from erosion while interest rates continue to remain well above the level of inflation.

Christine Stopp



YOU CAN ALWAYS SPOT A WINNER WHEN IT COMES TO SERVICE.

With so many offshore banks eager to serve you, why choose Citibank Personal Banking in Europe? Because we make your money work faster for you when you bank abroad.

In fact, when you phone, write or telex, you can be sure all your requests are handled immediately and discretely by your personal account officer. A professional trained in the American tradition of quality service. Offering easy access to the attractive investment opportunities you would expect from Citibank, a recognized leader in the financial world.

Our multilingual bankers are at your service at any of our centers throughout Europe. So make the smart move in the right direction. Mail your business card or the coupon to the attention of our marketing department. Citibank Personal Banking. An excellent complement to your existing banking arrangements.

SMART MONEY KNOWS WHERE TO GO

Take, for instance, how rapidly we move funds anywhere around the globe or how swiftly we convert deposits from one currency to another.

Offering easy access to the attractive investment opportunities you would expect from Citibank, a recognized leader in the financial world.

pon to the attention of our marketing department. Citibank Personal Banking. An excellent complement to your existing banking arrangements.

| HIGHLIGHTS OF THE WEEK | | | | | |
|------------------------|-------------|----------------|-----------|----------|-------------------------------------|
| | Price y'day | Change on week | 1989 High | 1989 Low | |
| FT-SE 100 Index | 2178.1 | -54.8 | 2428.0 | 1782.6 | Wall Street's setback |
| BAT Industries | 778 | +40 | 843 | 447 | Bid sector shakeout |
| Britannic Assurance | 540 | +30 | 542 | 318 | Takeover spec? 7.3% stake in Refuge |
| Cable & Wireless | 482 | -31 | 614 | 385 | Brokers downgrade |
| Carbon Group | 803 | -41 | 968 | 682 | Recession fears/roadshows cancelled |
| Orion Group | 110 | -10 1/2 | 174 | 98 | Brokers' downgrades |
| Jaguar | 886 | +19 | 741 | 284 | Continued bid speculation |
| Legal & General | 351 | +10 | 377 | 288 1/2 | 18% rise in new business/firm files |
| Lloyd Thompson | 245 | +17 | 246 | 188 | Hopes of increased insurance rates |
| Maxwell Comms. | 211 | +11 | 231 | 167 | US buying on Berlin flotation plan |
| Racal Telecom | 343 | -30 | 557 | 158 | Wall Street influences |
| Refuge Group | 928 | +82 | 828 | 429 | Athens lifts stake to 9.34% |
| Sasachi & Sasachi | 312 | -22 | 421 | 282 | Brokers' downgrades |
| Toothill (RW) | 865 | +200 | 865 | 410 | Agreed bid from Adams |
| Whitbread A | 359 | +10 | 409 | 299 | Plan to sell spirits business |

CITICORP CITIBANK
PERSONAL BANKING

Yes, I would like to know more about Citibank's smart approach to personal banking abroad.

Name: _____

Address: _____

City: _____

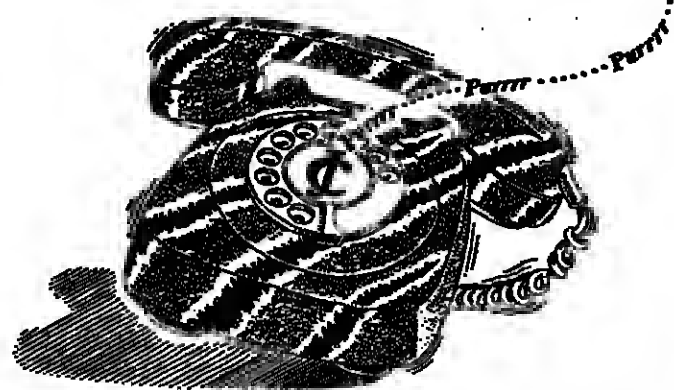
Country: _____ Postal Code: _____

Telephone: _____ FT 4

Marketing Department Citibank Personal Banking, P.O. Box 2055, 1000 CB Amsterdam, The Netherlands Attn. Christine Hayes.

CITICORP/CITIBANK PERSONAL BANKING OFFERS YOU NON-RESIDENT FACILITIES IN AMSTERDAM, BRUSSELS, FRANKFURT, JERSEY, LONDON, LUXEMBOURG, MONACO AND SWITZERLAND.

New. James Capel Tiger Index Fund.



Call the "Tiger Hotline" FREE and find out how you could profit by investing in the first fund to track the performance of all seven "Tiger" markets of South East Asia. The lines are open 9am to 3.30pm daily including weekends. Ring for your free information pack. Or call your financial adviser. Fixed price offer ends 27 October 1989.

0800 289 505

Incorporated by James Capel Unit Trust Management Limited, Member of DIBCO, LAUTRO and LUD. James Capel refers to a group of companies with offices in London and all other major financial centres, which provide investment services in a variety of markets. REMEMBER THE PRICE OF UNITS AND THE INCOME FROM THEM MAY GO DOWN AS WELL AS UP AND THAT PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RETURNS.

James Capel

services in a variety of markets. REMEMBER THE PRICE OF UNITS AND THE INCOME FROM THEM MAY GO DOWN AS WELL AS UP AND THAT PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RETURNS.

FINANCE & THE FAMILY

Sara Webb investigates courses designed to help private investors Taking stock of the markets

THE LATEST turmoil in the stock market certainly has emphasised the need for private investors - particularly the first-timers, who were wooed into the market with privatisation shares - to be well aware of what is going on. So, what can you do if you want to learn more about the stock market and how to invest?

If you thought evening classes were for learning the art of flower arranging or etching, think again. Small investors who want to learn more about the Stock Exchange, and how to make money out of their shares, might enjoy the public evening classes which the exchange runs regularly.

Who goes? Well, there were a couple of striped shirts in the audience but most of the students were middle-aged and clearly interested in learning more about how to tackle their stockbroker, as well as relishing the chance to gossip about their share portfolios during the coffee break.

To the superstitious students among us, it might have seemed inauspicious to start a share investment in the very same week the market lost its confidence. But in the words of lecturer Colin Smart, a private client broker with A. J. Bekhor & Co: "There's nothing more interesting than the market at the present time."

Smart's theories on how to deal with your broker and your shares could be summarised thus:

- Most people have a stupid reverence for stockbrokers which is undeserved. Forget your inferiority complex.
- Try to listen to your broker. He might be happy to chat to you but he could be busy and want to answer briefly.
- Be precise when talking to your broker and return all documents on time.
- Be careful - the majority of people who love shares are just hooked on gambling.
- Very few people can be persuaded to sell. Better to sell too soon than too late.
- Don't be tempted to hang on to a bad share. If it falls 10 per cent, think seriously of selling unless there is a very good reason for hanging on.
- Realise that capital gains come slowly; avoid speculating; and don't withdraw money from your portfolio to lavish on a new car.

- Be wary of having gamma stocks in your portfolio (because they are less liquid and, therefore, more difficult to sell quickly).
- Never invest money in a partnership or private company unless you are sure you don't want that money back.
- Remember that a tip will last a week and move the market short-term. Long-term, forget the tips.
- As a private investor, you have to be prepared to do a lot on your own. With a few thousand pounds, you should do a lot of it yourself.
- It's crazy to invest £100 in the stock market and pay 25 per cent commission to a broker. You

how to make more profitable investments.

There are lectures on the different types of shares; dealing with the documentation and the mechanics of investing; the tax implications of investing in shares; your investment strategy in the short and long term; personal equity plans; how often to review your investments; and how to assess a company's prospects.

The course also provides printed information from the Wider Share Ownership Unit at the Stock Exchange.

Aspects of the Securities Market is for anyone who wants to learn about recent developments in that sphere. It



shouldn't be in the stock market if that is the kind of money you're prepared to put in.

Details can be obtained from Sarah Naylor, International Stock Exchange, Old Broad Street, London EC2N 1HP (tel. 01-688-2355 ext. 29058).

□ The City University Business School runs the "Registered Representative and Trader" course and the Securities Industry Diploma courses.

The courses can be taken either in the form of evening classes (two evenings a week for 11 weeks) or through home-study packs. They are definitely for those who incline more to the technical side of things and they end with examinations.

The Registered Representative and Trader course is open to anyone who wants to learn about the stock market or who wants to become a representative or trader on the Stock

Exchange.

The syllabus covers the regulatory environment in the UK; the Securities Association's conduct of business rules; dealing and settlement; types of securities and their issues; audit, accounting analysis and corporate tax; and investment advice and taxation. The evening course costs £50 while the home study pack is £150.

The Securities Industry programme covers the bond and fixed interest markets; regulation and compliance; financial futures and options; private client investment advice and management; fund management; investment analysis; institutional investment advice; and interpretation of financial statements.

It is geared towards people with some knowledge of the subject already (the exams are important for individual membership of the Stock Exchange and lead to the Securities Industry Diploma) and costs £400. The home study pack costs £300.

Full details of the courses are available from Management Development Centre, City University Business School, Frohisher Crescent, Barham Centre, London EC2Y 8BB (tel. 01-920-0111).

□ The London Business School runs evening courses for senior managers who want to broaden their financial knowledge, and people who have some experience already in the investment field. The courses usually are spread over three terms but it is possible to attend just one or two.

The Investment Management Programme is really for investment professionals and covers equity portfolio management, bond portfolio management, and financial instruments.

The first part of the portfolio management course covers topics such as modern portfolio theory; factors in share price movement; risk measurement and performance evaluation; active and passive portfolio management; and international investment.

This segment costs £1,200, while the complete course costs £3,000. There is also a Corporate Finance evening programme which costs £3,300 for 10 terms, or £1,200 per term. Further details can be obtained from the London Business School, Sussex Place, Regent's Park, London NW1 4SA (tel. 01-262-5050).

Exchange.

The syllabus covers the regulatory environment in the UK; the Securities Association's conduct of business rules; dealing and settlement; types of securities and their issues; audit, accounting analysis and corporate tax; and investment advice and taxation. The evening course costs £50 while the home study pack is £150.

The Securities Industry programme covers the bond and fixed interest markets; regulation and compliance; financial futures and options; private client investment advice and management; fund management; investment analysis; institutional investment advice; and interpretation of financial statements.

It is geared towards people with some knowledge of the subject already (the exams are important for individual membership of the Stock Exchange and lead to the Securities Industry Diploma) and costs £400. The home study pack costs £300.

Full details of the courses are available from Management Development Centre, City University Business School, Frohisher Crescent, Barham Centre, London EC2Y 8BB (tel. 01-920-0111).

□ The London Business School runs evening courses for senior managers who want to broaden their financial knowledge, and people who have some experience already in the investment field. The courses usually are spread over three terms but it is possible to attend just one or two.

The Investment Management Programme is really for investment professionals and covers equity portfolio management, bond portfolio management, and financial instruments.

The first part of the portfolio management course covers topics such as modern portfolio theory; factors in share price movement; risk measurement and performance evaluation; active and passive portfolio management; and international investment.

This segment costs £1,200, while the complete course costs £3,000. There is also a Corporate Finance evening programme which costs £3,300 for 10 terms, or £1,200 per term. Further details can be obtained from the London Business School, Sussex Place, Regent's Park, London NW1 4SA (tel. 01-262-5050).

INTRODUCING STOCK GROUP. THE STOCKBROKER FOR THE MORE SOPHISTICATED INVESTOR.



You will have noticed that private client stockbroking has become a shade unfashionable in recent years.

Now the launch of Stock Group brings it back into style.

The Stock Group brings together three of the country's most distinguished stockbroking firms - the former private client business of Hoare Govett, Stock Beech and Campbell Neill.

To create a new force, dedicated to giving private clients first priority.

It's a commitment we maintain whether we're managing your portfolio, giving you investment advice or simply dealing on your instructions.

And it manifests itself in every aspect of our service.

Your portfolio manager will develop a close understanding of your own financial objectives, and give advice based on professional analysis of investment research.

We will pay meticulous attention to detail in the administration of your affairs.

And since the Stock Group is part of one of Britain's leading financial services groups, we can also offer you access to the full facilities of a private bank, as well as a complete range of other financial services.

To reserve a copy of the new Stock Group brochure, call 0800 400 416 free of charge, at any time. You couldn't make a smarter move.



STOCK GROUP

CAMPBELL, NEILL & CO. LTD. - STOCK BEECH & CO. LTD.
STOCK GROUP (CHANNEL ISLANDS) LTD.
STOCK GROUP (LONDON) LTD.

Each company listed above is a member of The Securities Association and The International Stock Exchange. Rules made for the protection of investors under the UK Financial Services Act may not apply to business carried out by Stock Group (Channel Islands) Ltd.

Where there's a will

A CERTAIN amount of "discussion" has arisen between my husband and I about plans that should or should not be made now with our future in mind. I am particularly concerned about the necessity of making wills.

I am 55 years of age and my husband is 60. We have no children and intend leaving our estates to each other. My husband questions the necessity of making wills in our case. He considers that as our finances and assets are relatively straightforward, and we have few close relations, there is no need.

What I am worried about is that, if I am the one to be left, the lack of a will might complicate matters and make a difficult time even more difficult. I doubt my ability to cope, both emotionally and physically, if irregularities which could have been avoided by planning ahead arise at such a time. My husband suggests I am worrying needlessly and that it is no more complicated dealing with the Probate Office than with a solicitor.

While it is possible to ensure, by full joint ownership of all property (that is, house, bank and building society accounts, stocks and shares and so on) that a surviving spouse need not have to resort to a will, we think it would be more secure position for the survivor if each spouse made a short will leaving everything to the other. That way, any inadvertent oversight as to joint holdings can be resolved readily.

Suspicion is correct

INSTEAD OF taking out an institutional annuity, could I give, say, £100,000 to my son towards a house purchase against an annuity from him at either (1) currently quoted fixed annuity rates for my age, or (2) a variable annuity rate linked to average prevailing mortgage rates.

What would be the inheritance tax angle of his receiving the £100,000 on either of the above arrangements, and if my giving it would affect the general acceptability of such a proposition to Inland Revenue, or the tax position either way, if the annuity was secured on the value of the house - even though he retained the unmortgaged deeds?

Would it affect the legal validity of such a transaction if it were carried out by informal paperwork between us, or should this be done via a solicitor?

The fact that you have not heard of other people doing this has no doubt made you suspect there are flaws in the idea. There are to be found in sections 125 (annual payments for non-taxable consideration) and 786(3) (transactions associated with loans or credits) of the Income and Corporation Taxes Act 1988, *inter alia*.

We suggest that you and your son talk things over with, for example, the solicitor who will be acting for your son in the proposed purchase. All good solicitors who undertake conveyancing work have some concern in the firm who is competent in the relevant tax law; but, of course, it would be prudent to check on this point before your son formally engages the services of the solicitor he has in mind.

Buying a freehold

I OWN a leasehold flat, which is one of a block of eight. The landlord has now decided to sell us the freehold. All eight leaseholders wish to buy it, but we have to set up a management company so that the freehold can be transferred.

We have had to consult a solicitor to act on our behalf, and we are told that he wants £100 from each flat-owner (£800 total) before he will make arrangements to go ahead and form a management company. He says the whole business is very complicated and needs careful handling.

We understand that we can buy a company "off the shelf". If so, could we amend the memorandum and articles of association to suit our needs? Do these have to be re-registered, and do we need a solicitor to do this?

Document torn up

I HAVE found a relative's will which has been torn up into several pieces. Nothing is missing and it is quite legible. I believe this to be a last will which was torn up accidentally. Would it still be valid if no other will appeared?

The presumption in law is that the testator destroyed the will with the intention of revoking it.

However, it is open to someone interested under the will or named as executor in it, to prove to the Probate Court that there was no such intention; in which case the will can be proved even in its mutilated state.

Change of tenancy

I BELIEVE that all that is required to change a joint tenancy into a tenancy in common is a letter. Can this letter be a simple "I declare that this property (address of property) is now a tenancy in common with just a signature? Or must it be couched in legal terms? How, then, does one incorporate it in the deeds? And who must be notified besides the other "tenant"?

What you suggest is correct. The letter should be addressed to the other joint tenant(s) and it is wise to preserve evidence of its having been received by the addressee(s), perhaps by having the recipient(s) sign a copy in acknowledgement of receipt.

When to come home?

FOR FAMILY reasons, it might be necessary for myself and my wife to return to live in England in the near future.

From a tax point of view, would it be advisable for me to wait until the end of the tax year before doing so? I am not clear as to whether I would have to pay tax on my entire income for the whole of 1989 should I decide to return in, say, November 1989, or if I would have to pay only for the period November to April.

The answer depends upon the size and composition of your income (and any capital gains) as well as on how long you have been non-resident and whether both you and your wife are domiciled in England and Wales (or Scotland or Northern Ireland etc). As a first step, write to the Inland Revenue, Somerset House, Strand, London WC2R 1LB, asking for a copy of the free booklet IR20 (Residents and Non-Residents: Liability to Tax in the UK). You could also ask a statutory concessions which covers the year of return to the UK after a period of non-residence.

Cottage for retirement

MY FATHER is about to purchase a cottage for his retirement at 65 next year. I wish to contribute towards this in order to enable him to buy a better property.

This would normally result in ownership in joint names, and I would become liable for capital gains tax upon sale of the property in future.

Would I be wiser to lend him the money instead, enabling him to buy in his name?

The choice is yours. Do you want any return on the money? If you make an interest-free loan you will simply get the original sum back one day.

If you buy the cottage jointly with your father (either as joint tenants or as tenants in common), you will benefit from the whole of the prospective increase in the value of your share up to the corresponding increase in the index of retail prices, and from at least 60 per cent of any increase in value (net of expenses of sale, etc) above the rate of inflation as measured by the RPI.

It must be borne in mind, of course, that the rules of capital gains tax - and of inheritance tax, in relation to your father's estate - may change fundamentally and without warning. You and your father should talk things over with the solicitor who is acting for him in the purchase.

Document torn up

I HAVE found a relative's will which has been torn up into several pieces. Nothing is missing and it is quite legible. I believe this to be a last will which was torn up accidentally. Would it still be valid if no other will appeared?

The presumption in law is that the testator destroyed the will with the intention of revoking it.

However, it is open to someone interested under the will or named as executor in it, to prove to the Probate Court that there was no such intention; in which case the will can be proved even in its mutilated state.

Q&A BRIEFCASE

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Change of tenancy

I BELIEVE that all that is required to change a joint tenancy into a tenancy in common is a letter. Can this letter be a simple "I declare that this property (address of property) is now a tenancy in common with just a signature? Or must it be couched in legal terms? How, then, does one incorporate it in the deeds? And who must be notified besides the other "tenant"?

What you suggest is correct. The letter should be addressed to the other joint tenant(s) and it is wise to preserve evidence of its having been received by the addressee(s), perhaps by having the recipient(s) sign a copy in acknowledgement of receipt.

When to come home?

FOR FAMILY reasons, it might be necessary for myself and my wife to return to live in England in the near future.

From a tax point of view, would it be advisable for me to wait until the end of the tax year before doing so? I am not clear as to whether I would have to pay tax on my entire income for the whole of 1989 should I decide to return in, say, November 1989, or if I would have to pay only for the period November to April.

The answer depends upon the size and composition of your income (and any capital gains) as well as on how long you have been non-resident and whether both you and your wife are domiciled in England and Wales (or Scotland or Northern Ireland etc). As a first step, write to the Inland Revenue, Somerset House, Strand, London WC2R 1LB, asking for a copy of the free booklet IR20 (Residents and Non-Residents: Liability to Tax in the UK). You could also ask a statutory concessions which covers the year of return to the UK after a period of non-residence.

Document torn up

I HAVE found a relative's will which has been torn up into several pieces. Nothing is missing and it is quite legible. I believe this to be a last will which was torn up accidentally. Would it still be valid if no other will appeared?

The presumption in law is that the testator destroyed the will with the intention of revoking it.

However, it is open to someone interested under the will or named as executor in it, to prove to the Probate Court that there was no such intention; in which case the will can be proved even in its mutilated state.

TRAVEL

Weather fine. Food awful. Crocs wicked

Zambia is not the place for upmarket safaris. Instead, it is for real travelling and real travellers. Even in the top hotels, the food may depress you. And take your own matches

Day 1: I see from the Zambia Daily Mail ("We serve the country. Without fear or favour") that my arrival in Lusaka has coincided with that of Swaziland's young king, Mswati III, who is making his first official visit outside Swaziland since becoming king in 1988.

He is accompanied by one of his wives, Inkosikazi Lang'ang'aza. Just like any tourist, the king tells Zambia's Comrade President Kenneth Kaunda that he is delighted to be here and hopes to "see a lot of interesting things."

Being a king, he is not obliged to spend a penitential night at Lusaka's Hotel Inter-Continental on Haile Selassie Avenue, which is grim and horrible and so unlike any Inter-Continental I have ever stayed in that I am shocked.

rose. Geese and crane wheel immemorably. Or perhaps they don't. Some species are younger than they look. The elephant, for instance, is thought to be a younger species than man. What appallingly rotten luck for this noble beast that its time on Earth should have coincided with ours.

He is carrying the most insignificant-looking rifle I have seen in my life, though I notice that he unshoulders it when buffalo are near.



Travels with Michael Thompson-Noel



Nkamba Bay, Lake Tanganyika: camp workers haul in a giant net confiscated when a dozen poachers were arrested

power. One famous early Kenya photograph shows a full-grown black rhinoceros being dragged to its death by drowning. Only sharks seem to instil the same cold dread this species inspires.

ganyika, which is an impressive body of water: 422 miles long, sometimes 50 or more miles wide and up to 4,650 ft deep - the world's second deepest and seventh largest lake. The scenery can be spectacular. Although the surface waters are as clear as gin, the oxygenless depths are said to have lain virtually undisturbed for millions of years, like a giant liquid fossil.

transit huts en route, notices on the wall indicate that two of Zambia's most pressing concerns at present are Aids ("Sex Thrills. Aids Kills") and corruption ("Stamp out corruption. Report corruption to the Anti-Corruption Commission Now!").

obliged to leave a "wad of Zambian currency with a customs official on the way back. I am obliged to surrender about \$7 in Zambian currency. This "Port of Seizure" is listed as the Victoria Falls Border. I am given a form which says that within three months I may, if I wish, make representations to the Director of Customs and Excise who may, under Section 176 (6) of the Customs and Excise Act, (a) release my currency from seizure or (b) declare it to be forfeited.

Hotel Mosi-O-Tunya (Smoke That Thunders), another Inter-Continental. It is marginally better than the one in Lusaka though its food is just as dreadful and expensive. To my astonishment there are three books of matches in my room. For the past four days I have been unable to buy a single match - a minor manifestation, no doubt, of the economic troubles with which Zambia is plagued.

FLIGHTS

Two additional reasons to book SAA. South African Airways now offers you even more convenience and choice. We now operate an 8pm Thursday flight non-stop to Cape Town, which then flies up to Johannesburg.

Table with columns for destinations and fares. Includes Super Fares and Skiing sections.

HOLIDAYS & TRAVEL

ASTON COURT HOTEL. Announcing the opening of the newly refurbished Central London location and only a few minutes walk to Olympia and Earls Court exhibition halls.

AFRICA FOR INDIVIDUALISTS. Camp with program and vehicle, 80 years' experience in the field.

Safaris Botswana, Zimbabwe & Zambia with Grenadier TRAVEL. World style luxury tented camp.

SAFARI CONSULTANTS. Discover the real Africa: Zambia, Zimbabwe, Botswana, Kenya and Tanzania - THE TOTAL AFRICAN ADVENTURE.

AFRICA

TURNBERRY HOTEL AND GOLF COURSES. Turberville, Ayrshire, KA26 9LJ, Scotland. Telephone: 0453 3190. Telex: 71779. Fax: 0453 31706.

AFRICA SPECIALISTS. LOW COST FLIGHT SPECIALISTS. AFRICAN WORLD TRAVEL SERVICES.

AFRICA SPECIALISTS. BEST AIRFARES. Talk to the Specialists.

AFRICA SPECIALISTS. BEST AIRFARES. Talk to the Specialists.

Shells with everything

LEE ISLAND Coast on the Gulf of Mexico in south west Florida has no theme parks, no zoo, no safaris. Its main attraction is that it has no "attractions" and that dressy means sandals and not bare feet.

FOR BEST DEALS in conference/holiday areas worldwide. Contact: Scott Travel Ltd, Telephone: 01-206 2943 or 01-601 7471.

ANGELA WIGGLESWORTH. British Airways. Foundstretchers offers holidays at South Sea Plantation, as does Select Holidays.

WEEKEND FT SPECIAL REPORT/INDEPENDENT EDUCATION

Choosing the right school

Alan Forrest recommends some places and publications that can help to point parents in the right direction

INDEPENDENT education is still a growing market. According to a survey by the Independent Schools Information Service (ISIS), the number of pupils at fee-paying schools rose by 1.7 in the past year, the sixth successive annual increase. There were 452,768 pupils in 1,323 schools in January this year compared with 445,227 in January 1988. Fees rose by an average of 10 per cent over the year - slightly less than in the previous two years when substantial increases in teachers' pay affected the finances of most schools.

So, with demand rising as well as fees, it becomes even more important for parents to choose the right school. At one time, the choice for many parents was easy: the child went to dad or mum's old one. But with more and more parents becoming first-time buyers of independent education (dad and mum went to a state school), the need to be pointed in the right direction becomes ever more important.

There are many places and publications offering help. ISIS itself produces a valuable guide, *Choosing Your Independent School*, and the chapter on *Narrowing Your Choice* is excellent. For example, do you go for the academic or less academic school? Here, the advice is sound and plain-spoken. "Some parents are over-ambitious for their children. Others underestimate their child's abilities and potential."

There are few things worse for children than having to flounder at the bottom of the form because they have been over-coached and have managed

to squeeze through the entrance exam into a school but now find the academic pressures are too great. On the other hand, if they can work faster than the rest, it is boring and frustrating to have to pretend not to be so clever.

"If your child is bright and obviously able, and you think you will do well in the type of school that used to be a grammar school, then look for schools which take part in the government's Assisted Places Scheme. If your child is less academic, look for a smaller school which has small classes." The guide raises such questions for parents as whether day attendance or boarding is the best option, the possibility of joint travel plans with parents living in the same area, and if the school should be single-sex or co-ed. It advises them to find out all they can about the staff and the head, and about discipline, and not to make a choice on one visit to an open day. See the school on a day when it is operating normally.

One of the best aids to parents is the *Harpers and Queen Good Schools Guide*. Written by Amanda Atha and Sarah Drummond, this is informative, witty and often irreverent. Take the chapter on choice, which is called *Snuffing Out a School*. "What to look out for. Bearing of pupils, staff, ditto. Do they look clean, bright-eyed and enthusiastic (whatever you like)? Attitude of pupils, staff and vice-versa. Does the Head know who they all are (you'd be surprised)? Do pupils flatten themselves against the wall as the Head passes? Do they flatten him/her against the wall as they pass?"

"Is the atmosphere happy? Fraught? Coerced or co-opted? Do you fall over pupils canoodling in corners? How many are slumped in front of the television? Do the drains smell? What is the state of the paintwork, etc. - a glance at the ceiling will usually tell. Grab an exercise book or three in passing and look at the standard of work and standard of marking - this can tell you a awful amount. Observe the state of the library: rows of dusty tomes look impressive but bright, new, dog-eared is healthier."

In spite of its occasionally glossy magazine flippancy, this guide gives much-needed advice and its entries on individual schools are informative without being boring.

The educational consultancy of Gabbitts, Truman and Thring is a household name in the schools' business. Housed in impressive premises just round the corner from Piccadilly Circus in central London, it is an excellent place to go for advice and its publications do much to show parents the way through the education jungle.

John Murrell, GTT's managing director, is a pleasant and knowledgeable guide. He is something of a traditionalist but supports the new GCSE and co-education. Murrell does, however, believe that a particular reason for the growth of the number of girls in boys' schools is simply that the latter, being mostly older foundations and going back to the bad old days when girls weren't expected to be head, can offer better facilities than the majority of girls' schools.



Preps bow to growing demand for day places

PREPARATORY schools have undergone a sea change in a generation as the demand for day places has swelled at the expense of boarding. And they face further changes as they struggle to come to terms with reforms now being introduced into the state sector.

A few figures are enough to demonstrate the transformation that has swept through the prep school world. A generation ago, there were 157 all-boarding and 61 all-day schools in the Incorporated Association of Preparatory Schools, the main prep school association. IAPS schools were educating some 29,000 boarders and 28,000 day children.

Now, the ranks of all-boarding schools have dwindled to just 14 while the number of all-day schools has swelled to 202. As a consequence, boarders in IAPS schools have fallen 20 per cent to 23,000, while day children have more than trebled to 89,000.

These figures hide a story of social revolution. Middle-class parents, especially those who want to state schools themselves, are increasingly reluctant to send their young children away to board.

The statistics also bear testimony to the sheer buoyancy of demand for prep school education among those families who have benefited from the affluence of the 1980s.

Yet, this demand means that many parents are finding it increasingly difficult to locate day places for their children in prep schools, particularly in London and the south-east.

Why is there such strong demand for prep school education? The official answer was given by Hugh Davies Jones, chairman of St Andrew's, Eastbourne, in his chairman's address to the annual conference of the IAPS last month.

He called it the "x factor" and said: "Our classes are smaller than the local primary [and parents] will be aware that facilities - once a weak area of preparatory schools - are now good and, in many cases, superb."

Yet, he wondered if objective considerations like that were "enough to justify fees which all parents find burdensome and some find almost crippling."

Davies Jones believes the missing ingredient that tips the balance is the "x factor" which, although varying from school to school, is summed-up in the independent sector's determination to transmit

"manners, tidiness, courtesy, service and leadership" - old-fashioned values that have to be taught as much through a prep school's activities outside the classroom as in its devotion to academic standards.

A more worldly-wise answer is given by a parent who moved recently from Yorkshire to the south-east - which, incidentally, meant he had to face a doubling of fees for day places at the local prep school. A complex of factors - typical of the pressures facing many parents - combined to make the independent route seem almost inevitable for his young son.

First, although his child was not yet five, the father was determined to get him into school as soon as possible. The local authority had very few nursery places but there was a thriving kindergarten section in the local prep school - an

diminish if the government's present programme of educational reforms raises standards in the state sector, as it hopes. Education Minister Angela Rimbold told a recent gathering of schools inspectors: "There should be no need for the independent sector, as the state sector will provide parents with the standards and choice currently provided by the independent sector" - an astonishing statement for a Conservative minister.

Prep schools are already pondering their response to the most fundamental of the educational reforms: the national curriculum which is being phased into state primary schools from this term.

Theoretically, the independent sector can ignore this curriculum since it is exempt from its provisions. Yet, few independent school heads expect that to happen.

"It would be very foolish for schools not to keep in touch and follow it," argues Robin Peverett, due to become IAPS director of education next year.

Prep schools will have to cater for all the children who move in and out of the state sector. Moreover, since the demands of the 16-plus General Certificate of Secondary Education examination, and of the national curriculum, are to be merged for the 14-16 age group, private schools - with their heavy commitment to exam success - will have to take increasing note of the curriculum.

Peverett, who is also headmaster of Dulwich College prep school in Cranbrook, Kent, argues that the national curriculum should not mean too great an upheaval because prep schools teach already the bulk of what is being demanded. However, he acknowledges that the requirement to teach science and technology from age five could pose challenges to some prep schools.

Further down the track is the question of whether the requirement under the curriculum to assess all pupils at 14 could have implications for the Common Entrance, the exam by which most 12-year-old boys pass from the junior world of the prep school to the senior environment of the public school.

One line of thought is that prep schools could take the 14-plus national curriculum tests a year early, largely replacing the need for a separate Common Entrance exam. This is an issue that will run and run.

David Thomas looks at the results of a social revolution

WEEKLY boarding, once a rarity to be found in only a handful of schools, is one of the fastest-growing areas of the independent sector. This year, there were 9.3 per cent more weekly boarders and 9.5 per cent more weekly girls boarders attending the 1,350 schools taking part in the regular census organised by the Independent Schools Information Service. True, the ratio of full boarders to weekly is still about 12:1 for boys and 8:1 for girls, but there is no doubt that the growth of the weekly option is helping to offset the long-term decline in full boarding.

The reasons for this trend are not hard to find. Many parents of children in independent schools were educated in the state sector themselves and so find quite alien the whole culture of sending children away to school. They want to have their children around. On the other hand, even if their children are at day school, parents often do not manage to see that much of them during week-days. The demands of homework and

after-school hobbies on the children's time, and of work on that of the parents, will preclude much contact - a point of particular force if both parents are working.

Weekly boarding can seem an admirable compromise, as John Trevis - in charge of advisory services at educational consultant Gabbitts, Truman and Thring explains. "It's attractive for parents who don't want to lose total contact with their children and who don't themselves have much experience of boarding." For some parents, Trevis adds, the choice of weekly boarding is dictated by a more mundane reason: the difficulty in finding suitable day school places.

Whatever the reasons, the increasing popularity of weekly boarding suits many schools. Robin Peverett, head of Dulwich College prep school in Cranbrook, Kent, says: "Weekly boarding has helped to save boarding from our

point of view over the last 10 years." Peverett explains that a common pattern is, first, for day pupils to become weekly boarders and then, after gaining a taste for it, to plump for full boarding.

But the very frequency of this progression suggests that some children might lose out from weekly boarding. John Fuller-Sessions, headmaster of Bramcote School in Scarborough, North Yorkshire - one of only 14 schools left in the Incorporated Association of Preparatory Schools that offer only full board - certainly thinks so. He argues that by catering for only one type of pupil - full-boarding boys - the school can build-up a routine and a rhythm dedicated totally to their needs.

Trevis advises parents who seek the advice to think about the possible drawbacks to weekly boarding. First, he tells them, be clear about what weekly boarding means in any particular school. Many par-

ents think it will allow them to collect their children on Friday evening and return them on Monday morning. In fact, that pattern is unusual. The weekend break often stretches only from Saturday lunchtime (after Saturday morning lessons) to Sunday evening.

Second, think about the logistics involved. Weekly boarding can seem an enticing prospect when the children first go to school. But will the weekly trek to and from school seem so attractive in the depth of winter, and when the children have been at school for five years?

Third, consider the impact on the children of the weekly option. "Going from one routine to another with such regularity can be unsettling. They may never settle in," warns Trevis. He says this danger is especially acute if the school is geared around the needs of the full boarders.

Finally, no parent should imagine that they will save

THE MOUNT SCHOOL YORK
Girls 11 - 18 boarding, weekly boarding and day (G.S.A.)
One of the Quaker Schools in England. Open to those of any denomination or none. Small, caring community.
Academic scholarships; Assisted places scheme for the 1st form entry.
Strong academic Sixth Form and Oxbridge entry. Superbly equipped Science/Maths Centre and new Design & Technology Studio. Excellent music, arts, sport and leisure facilities.
Ten minutes walk from York's historic centre.
Please write to:
Barbara J Windle M.A. (Headmistress)
The Mount School
York, YO2 4DD
Tel. (0904) 654823

BROMSGROVE SCHOOL
Bromsgrove Worcestershire
Co-educational Boarding & Day
Bromsgrove is proud of its academic record, range of extra-curricular opportunities and its system of pastoral care. The Upper and Lower Schools occupy adjacent sites and are both lively, friendly and forward looking communities. (1989 passrate 87.5%)
For pupils with Academic, Cultural, Athletic and Ability SCHOLARSHIPS, MUSIC SCHOLARSHIPS, EXHIBITIONS AND BURSARIES (for September 1990)
UPPER SCHOOL BMC 540 pupils (13-19 yrs). Candidates to be aged 12 to 13 or 15th Form Entrants.
LOWER SCHOOL IAPS 330 pupils (8-13 yrs). Candidates to be aged 8-12.

COURSES AT THE V & A
Education Services offers a wide range of courses and study days.
1990 programme includes Art Deco, Landscape Gardening, Oriental Carpets, Fashion, Plastics
For full 1990 programme, please send an SAE to:
Education Services, 2nd March, 2000
South Kensington LONDON SW7 2EL
Tel 01 238 8038

REED'S SCHOOL
COBHAM SURREY KT11 2BS
Easy access to Heathrow and Gatwick
An RMC Independent Public Day/Boarding School for boys aged 11-18, with the latest facilities for Craft, Design and Technology, Computing and Electronics providing a curriculum including music leading to G.C.S.E. and 'A' level examinations and University entrance. Set in 26 acres of Surrey heathland, the school offers a wide variety of games and recreational activities. C.C.E. contingent and Duke of Edinburgh's Award Scheme. Entry at ages 11+, 12+, 13+ and Sixth Form.
Government Assisted Places are available to boys aged 11+ and 13+ for September 1990 entrance.
Academic and Music Scholarships at age 13+ in May and 6th Form in March each year.
Limited Sixth Form Day Girl Entry
Enquiries to: THE HEADMASTER
Telephone: COBHAM (0932) 63076

St. Clare's Oxford
Independent, Co-educational, Residential School
Boarding and Day Students
Bromsgrove Worcestershire
A two year, six subject course leading to university entry in Britain and worldwide. Ideal for the academic student who wishes to maintain a broad range of subjects.
Scholarship Examinations - 2nd March, 1990
ENGLISH LANGUAGE COURSES
Year-round and summer courses
Latin, English, alongside those learning in English.
For further details contact: Mrs. E. K. Jones, Dept. FT
220 Redway Road, Oxford, OX2 7AL
Tel No. (0865) 52031. Telex: 823707 Post: 0865 310002

BPG FINANCIAL SERVICES NORWICH UNION
FUNDING YOUR CHILD'S EDUCATION
There are few more important decisions a parent can make than their child's education. BUT HOW WILL YOU PAY FOR IT?
Composition Payment Schemes? Guaranteed Annuities? Educational Trusts? P.E.P.s? Income Bonds? Endowments? Equities? Borrowings?.....
Confused? WE'RE NOT.
For the full story on School Fees planning write to us at
BPG Financial Services
46 High Street,
Old Stenage
SG1 3GF
Or alternatively telephone Stephen Grail on 0438 721885
Who will be pleased to provide you with a personal illustration by post or arrange a convenient personal visit.
IT PAYS TO CONSULT A PROFESSIONAL

EDUCATIONAL GUIDANCE
SCHOOL SELECTION SERVICE
We provide a free advisory service on the choice of independent schools and colleges.
If you are considering a change of school or college in the near future, we shall be pleased to help you.
COUNSELLING
Our experienced consultants offer professional guidance at all levels, including help with learning difficulties, sixth-form options, higher education and careers.
Please telephone us for advice or ask for our brochure.
GABBITTS, TRUMAN & THRING
6, 7 & 8 Sackville Street, Piccadilly, London W1X 2ER
01-734 0181 or 01-439 2071
Consultants on Independent Education since 1872
GABBITTS TRUMAN & THRING

The most renowned school for French
INSTITUT DE FRANCAIS
Creating the future's most beautiful
MAKES LEARNING FRENCH
A WONDERFUL AND UNIQUE EXPERIENCE
LOGGING IN PRIVATE APPTS. AND 2 MEALS INCLUDED
For adults: 8 levels from beginner 1 to advanced 11.
Next 23 or 4 week immersion course starts 30 Oct. 27 Nov. 1989 and all year
20 years of research & experience in the teaching of French to adults
INSTITUT DE FRANCAIS - FTJ21
22 av. des Laines, 95 VILLIERS/CHARENTON
Tel. (01) 01 01 04. Telex: 870000 Post: 01070021.

SCHOOL FEES FROM £15 A WEEK.
A SMALL SUM TO PAY FOR YOUR CHILD'S FUTURE
£15 a week doesn't buy much nowadays but with "Invest for School Fees Ltd", it could start to buy your children or grandchildren an independent education. That means an education of your choice - the most precious gift you can give to any child.
Now more than ever the savings achieved in planning as early as possible are enormous.
Call us or complete the coupon below. It commits you to nothing but it may be the start of your commitment to the kind of education and future we'd all like our children to have.

INVEST FOR SCHOOL FEES LIMITED
WILLIS FABER COMPANY
Approved by FIMBA
0442-217211
Post to: Invest for School Fees Ltd., The Old School House, George Street, Hemel Hempstead, Herts HP2 5HJ
Name _____ FT/21/10
Address _____
Home Tel. _____ Office Tel. _____
Child/Children's Age(s) _____
Preferred method of payment _____
From Income Income & Lump Sum Lump Sum

ST MARY'S SCHOOL SHAFESBURY
Dorset SF7 9LP
ROMAN CATHOLIC DAY/BOARDING SCHOOL
320 GIRLS (230 BOARDERS) 10-18 YEARS
The following scholarships are offered for September 1990.
All are worth 50% of full fees
TWO SIXTH FORM SCHOLARSHIPS
ONE ART SCHOLARSHIP AT 11, 12 OR 13+
Further details from the Headmistress/Secretary
Closing date 30 December 1989

WEEKEND FT SPECIAL REPORT/INDEPENDENT EDUCATION

Interest rate rises disrupt planning

Eric Short investigates the effect of Britain's financial upheaval on school fees

THE DRAMATIC change in financial conditions in the UK over the past 18 months, with interest rates doubling, has completely changed the emphasis on paying school fees.

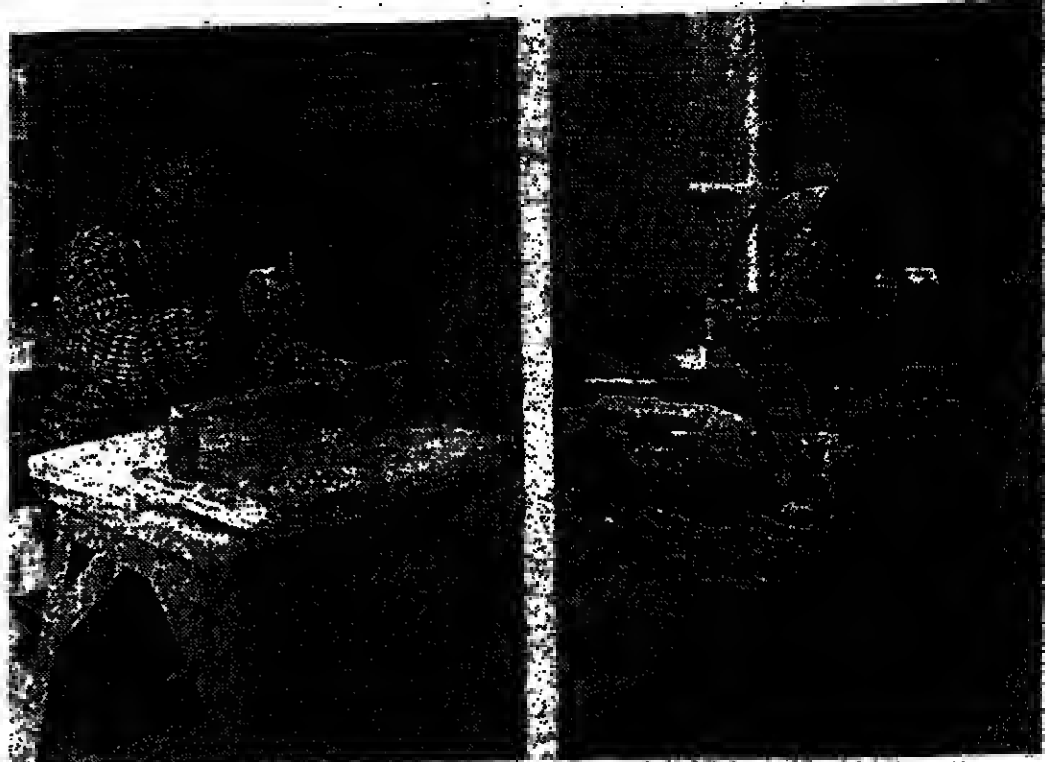
fee specialists were talking about introducing schemes that rolled-up the interest payments into the loan, with the accumulated loan being paid off from the equity growth on the home.

'If parents' attitudes towards their children's education were based on rational reasoning, they would turn away from the private sector'

still a strong demand for loans. Indeed, parents who have not funded in advance to ease the fees burden, and who cannot meet the cost entirely out of the net family income, have little choice but to take loans if they are determined to go the private route.

savings vehicles used in school fee planning. Anthony Murrell, managing director of Fraser Marr, another firm of school fee specialists, points out that with-profit contracts still form the "core" of any school fee package.

The Maidenhead-based School Fees Insurance Agency (SFIA), one of the planners (and still a major player) in school fee planning, is soon to introduce a PEP. However, the recent convulsions in world stock markets have highlighted the need for flexibility and constant monitoring of any investment package.



Art for all reasons

ART FOR art's sake or for a professional career? The independent art and design colleges provide courses for all reasons.

going back to its foundation in 1879 - those for people engaged in the art industries. People looking for career opportunities as art historians should consult the Gabbitts, Truman and Thring's Guide to Education after 16.

Another interesting school based within a few minutes of Oxford Circus in central London is the Palladio Academy. Principal Thomas Duncan describes it as "London's premier professional interior design school".

Alan Forrest

ST MARY'S HALL BRIGHTON. An Independent Church of England Day and Boarding School for Girls (3-18), Day School for Boys (3-8). OPEN DAY ON NOVEMBER 10th 1989.

QUEEN'S COLLEGE LONDON. 43-49 Harley Street, London W1N 2BT. Telephone: 01-680 1633. QUEEN'S SCHOLARSHIPS SIXTH FORM SCHOLARSHIPS AND ASSISTED PLACES.

GORDONSTOUN SCHOOL. Scholarships to Full Fees. Gordonstoun School offers up to thirty-six scholarships and bursaries each year (seventeen for boys and nineteen for girls).

ST JAMES INDEPENDENT SCHOOL FOR BOYS. ST JAMES INDEPENDENT SCHOOL FOR GIRLS. A finely balanced education is offered to encourage the unfolding and development of the whole person.

Hacking through the jungle... HERE ARE some useful addresses of organisations and publications mentioned elsewhere in this report. They should all be noted by parents and students still a little lost in the educational jungle.

CLIFTON COLLEGE & CLIFTON COLLEGE PREPARATORY SCHOOL. Independent, fully co-educational boarding and day school for pupils aged 7 to 18.

UNIVERSITY PREPARATORY PROGRAM. Schiller International University, an accredited independent American university in Europe offers a university preparatory course at its London campus.

FINE ARTS COLLEGE LONDON. INDEPENDENT SIXTH FORM COLLEGE. As London's only Arts Tutorial college, we are offering the following courses:

GLENDOWER SCHOOL LONDON SW7. Day Preparatory School for Girls aged 4-12 years. Entry at 4 and 8+.

PREP SCHOOL. The magazine for parents as well as teachers. Weekly, informative, lively, controversial. You are warmly invited both to subscribe and to contribute your own views.

AN ALTERNATIVE SCHOOL? St Christopher School has never lost sight of the central importance of the individual. Since 1975 we have aimed to show care and to encourage creativity in a combination that gives young people both immediate confidence and scope for the long haul.

ST AUDRIES SCHOOL FOR GIRLS. St Audries occupies an historic country house near the sea. The school provides an excellent academic education in small classes from the age of 4 to GCSE.

CALDICOTT. A limited number of academic awards, up to full fees is being offered to boys of high academic potential, currently attending day schools, and aged between 10 and 11 on September 1st 1990.

THE KING'S SCHOOL. CAMBRIDGESHIRE CIVIC SCHOOLS. ACREMONT HOUSE. 4-8 years Day only.

LADYMEDE SCHOOL. LITTLE KIMBLE (next to Cheques) BUCKS. GIRLS BOARDING 6-12 YRS. DAY GIRLS 6-12 YRS. DAY BOYS 3-7 YRS. TEL: 08444 6154.

CCSS. The Cambridge Centre for Sixth-Form Studies. Day and boarding places are available at CCSS for those wishing to start A and A/S level courses in September 1990.

IBSTON PLACE. THE FRODO BAGGINS SCHOOL. Clarence Lane, Roehampton, London SW15 5PY. Telephone: 01-876 9991.

ST HELEN'S SCHOOL. Northwood, Middlesex, HA6 3AS. DAY AND BOARDING - 922 GIRLS. 146 IN SIXTH FORM. MAJOR SCHOLARSHIPS - 1991.

ST MARY'S SCHOOL WANTAGE OXON. OX12 8BZ. Church of England boarding school for 300 girls aged 11-18. 4 scholarships available each year.

SUCCESSFUL CAREERS START AT ST JAMES'S. Visit our exclusive Kensington College and meet the staff who will provide you with the skills you need to secure a prestigious appointment.

ST JOSEPH'S CONVENT SCHOOL FOR GIRLS. 6-11 Years Tel: Reading 357777. 11-18 Years Tel: Reading 651000/662979.

TAKE THE CHANCE TO LEARN. FRENCH, GERMAN, SPANISH, ITALIAN OR PORTUGUESE. In the country where everyone speaks that way! Short term courses, all year, all levels, all ages.

ABBERLEY HALL. Valuable INDEX-LINKED AWARDS for September 1990 are offered at ABBERLEY HALL, a boys' boarding prep school.

ABACUS AT ST. ALDATES COLLEGE. An independent alternative for 6th form students. Prospectus: The Principal, 77 George Street, Oxford OX1 2BQ. Tel: (01865) 280111.

STUDY INTERIOR DESIGN. A comprehensive and active course in interior design leading to a Diploma Degree. Prospectus from: Michael Dwyer BA(Hon) 53 West Street, Brighton, Sussex BN1 2BA. Tel: 01273 228124 (24hrs).

WEEKEND FT SPECIAL REPORT/INDEPENDENT EDUCATION

Breaking down the walls of tradition

ONLY ONE generation ago, the prospect of a daughter going to her father's old school — and his old prep school, and his old college — may have seemed more unlikely to a conventionally-educated Englishman than the thought that man should walk on the moon.

Yet in 1989 more than a sixth of the pupils in Britain's Headmasters' Conference schools (traditionally "boys' public schools") are girls. The majority of prep schools whose heads form the Incorporated Association of Preparatory Schools (IPAS) are now co-educational. Yet single-sex schools remain at both levels, and pupil numbers have not fallen in the Girls' Schools Association schools.

The message is that there is now a real choice for both sexes. But while the GSA (with rare exceptions) still sees the single-sex principle as one to fight for, the shift in attitudes in boys' senior schools has been dramatic.

The range for the changes are likely to be as mixed as any human motives: genuine conviction, response to demand, empty places, all must have played a part. But the places would not have been filled without a corresponding fundamental change in parental attitudes.

Schools, both boys' and girls', were once quite unrelated to outside life. They had

their own (often artificial) structures and pressures; their social habits were essentially inward-looking. It can be no coincidence that co-education first took root at the extreme ends of the system — the prep schools, nearest to family life; and the sixth forms, nearest to the adult world.

I believe that a major factor in creating more liberal school life-styles is, paradoxically, the much-quoted "decline of family life." Many people can no longer give their children a stable, two-parent family — certainly not one with a mother always at home. And these circumstances are not generally desired or sought; most parents are anxious rather to minimise the child's loss and to find a replacement as much like family life as possible.

With brothers and sisters, an education together can be an attractive proposition. The two may never meet if they don't want to, but they have an important part of life in common. And if a girl has no brothers, or a boy no sisters, a mixed environment can be seen as an advantage.

How has co-education happened? In the day-school world many old high schools and grammar schools were there already. Some "progressive" boarding schools, such as Bedales, Bryanston and Gordonstoun, have been fully co-educational for some time. But what is attracting attention

now is the radical shift among the traditional boys' boarding schools, whose foundation springs from the 19th century world of men like Arnold, Thring and Sanderson, reformers in their day, but many of whose schools were fossilised for long periods into caricatures of masculine values at their most hierarchical, philistine and emotionally crippling.

At the same time girls' boarding schools at their worst could be priggish, petty and

has often been high, and it has usually been paid by the girls. It is a matter of speculation whether co-education would have spread down from the sixth forms to any great extent. What is certain is that it is spreading up from the prep schools. Here, too, some original motivation may have been economic, but it would be hard to find a co-ed prep where the principle has not become conviction in practice.

Inevitably, parents who have seen co-education working happily at this level have looked at what was on offer at senior schools. Clifton, Rossall and Oakham were among the earliest of the traditional boys' schools to see and meet this need and to take girls from the first year, as Marlborough is doing this year, and as Oundle and King's, Canterbury, will do from 1990.

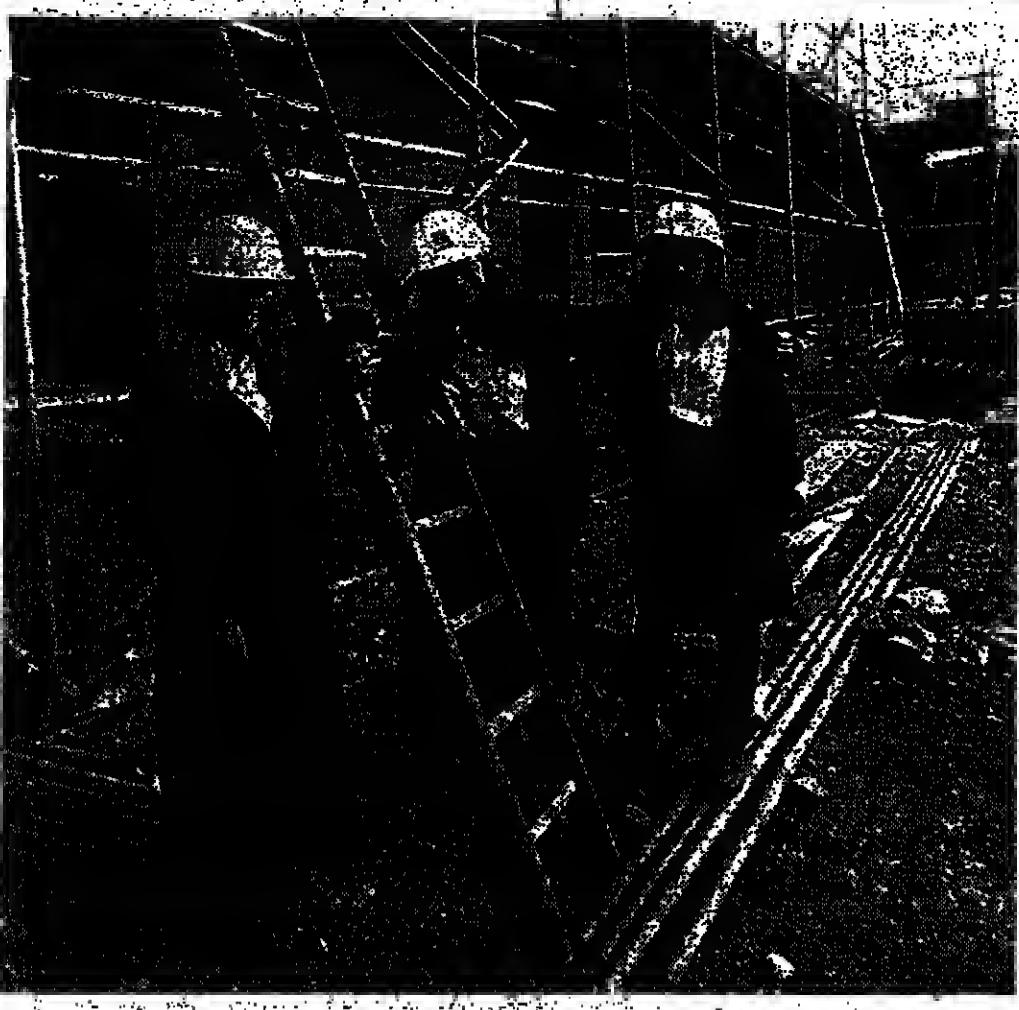
Most have to move slowly. Clifton particularly, at present just opening its second girls' house, is realistic about the speed at which the school can modify a strongly masculine image. The school will probably not move beyond the one-third/two-thirds ratio. Gordonstoun, with 17 years experience of virtually full co-education, still thinks that boys need to outnumber girls slightly to achieve balance in practice.

Boys' schools which intend to remain single sex are not unduly defensive. And, of course, it is essential that there

should be a choice. Girls' schools are in a more difficult position, because they see themselves as having more to defend. The best of them were pioneering institutions recently enough for their principles to seem worth fighting for still: an independently organised education for girls as good as (and in some cases better) than that available for boys. Cheltenham Ladies' College, Roedean, the North London Collegiate School, and the schools of the Girls' Public Day School Trust represent something incomparably important in British education.

The Girls' Schools Association claims vigorously that girls do better in schools where they are free from sex-related pressures at work and where their role models are successful and authoritative women. They are justified in their belief that they meet a real need by the increased figures for girls in single-sex schools.

There are valid arguments for both single-sex and co-educational schools, even if there is a remarkable unofficial consensus that boys need girls around more than girls need boys. Parents, head teachers — and the more articulate pupils — will have their own views about what is right for each individual. It is the pride of the independent sector to provide harmoniously for them all. ■ Anne Kiggell is Editor of the magazine Prep School.



The first girl boarders to break a 500-year tradition at the formerly boys-only Oundle School look over their future accommodation block. From left: Sophie Sissons, Elizabeth Turnbull and Polly Groat

Victorian values pass the test

PARENTS who want a gentler academic climate for their children seek out schools such as Abbotsholme School, set on the outskirts of Uttoxeter in beautiful rural Derbyshire.

The school this month is celebrating its centenary. It has come a long way since its foundation by Dr Cecil Reddie, an eminent Victorian with then revolutionary ideas about education. Today, the School's chief claim to fame lies in music and art. Since 1989 it has been totally co-educational. But Reddie's ideals remain, as before, at the heart of the school ethos.

An old photograph of Reddie in class suggests a Socratic method of enquiry rather than magisterial induction of knowledge. Certainly his method of teaching was less formal than was normally found at the time. His emphasis in education was shifted from the then rigid competitiveness of the public school towards spontaneity, leadership, and compassion to other people. Command of facts and the pursuit of academic achievement were put below the search for understanding of life.

The boys wore Norfolk jackets; there was no school uniform in the accepted sense. Of course, the environment played a central role in this. The estate of Abbotsholme provided a perfect setting, now as then, it has an

appeal to the senses; it imparts an atmosphere of easy protective serenity.

A pupil's recollection of arrival, published in the latest issue of the School's magazine, the *Abbotsholman*, reads as follows: "The first thing that struck me about Abbotsholme was how friendly all the pupils are. Everyone speaks to everyone... Not only are the pupils friendly, but so are the teachers. Here the pupils treat the staff like humans, and they act like humans in return... It amazed me just how clean the school was kept... and so on. A laudatory tone persists throughout the magazine.

The writer's impressions are evidently widely shared. It seems that the school has grown accustomed to taking them for granted. When parents of prospective pupils come on a visit, more often than not they are taken on a tour of inspection by a select pupil, not by a member of staff.

Time, and probably market forces, have edged Abbotsholme School closer to conformity with "establishment" education. Reddie's idea of a "New School" is no longer new, far from radical, and hardly innovative. In fact, compared with some other independent co-educational schools with which it has to compete, Abbotsholme appears almost conservative, standing solidly at the halfway point to a public school.

But Reddie's concepts, still mostly unmodified, continue to determine the school's character: a more relaxed, informal teaching, aimed at fostering in pupils a balance of harmony with the natural world, a sense of responsibility, self-reliance, and readiness for cooperation with other people. Abbotsholmians may not be academic high-flyers, but cocooned for their formative years in delightful surroundings, they are, if anything, happy.

The 250 boys and girls enjoy a teacher-pupil ratio of 10:1. Classes are seldom larger than

20 pupils, and the subjects on offer are many and varied. In addition to the regular curriculum disciplines, there is computer studies, technology and design, agriculture (to which, with its working farm of 140 acres and a breeding herd of pedigree Charolais, Abbotsholme School is particularly suitable), as well as an impressive list of outdoor activities.

Darrell Farrant has been Headmaster of Abbotsholme since 1984. Abbotsholme, he explains, welcomes pupils from diverse social backgrounds, and from abroad. There is an entrance examination, apparently not too stiff. Various scholarships and bursaries may be won by promising pupils of lesser means. But an annual fee in excess of £7,500 inevitably restricts attendance to the more prosperous.

Twice a year the school demonstrates its commitment to outdoor life and environmental awareness by decamping for three days at a time on lakes, canoeing, rock climbing and camping around Britain.

On balance, academic achievement in Abbotsholme compares favourably with other schools. While GCSE is the highest some Abbotsholmians can hope to attain, good A-level results are not uncommon in the Upper Sixth, which numbers on average 30 to 35 a year. Of these 70 per cent go on to a degree.

One who is set to be among these is Alistair Slater, the incumbent Head of School. He has been here since the age of 11. Like most Abbotsholmians, his readiness to face the world appears tinged with sadness at leaving. He points to the science laboratories, where his own-chosen discipline has developed. Past the gym, and the nearby open-air heated swimming pool, a member of the staff is greeted with "Hello, Sir." A distinct egalitarian tone in the "Sir" is discernible.

In the farmyard stands a young Charolais bull, frisky but not dangerous. "Pupils who step out of line get a few hours work on the farm as a punishment," Alistair explains. Pupils who do not specialise in farming, that is.

Past the studies of the Six Formers, you come to the Music Department. Purpose built to afford the best facilities, it was built by Old Abbotsholmians, as were other parts of the school, a solid show of lasting commitment. The chapel is not visually impressive, but it serves an impressive purpose. It is here that the famed Abbotsholme Art Society holds its concerts, with star performers such as Alfred Brendel, Vladimir Ashkenazy, and the Chilingirian Quartet.

Abbotsholme's virtues may be writ large, but how does creative imagination fare in such an apparently idyllic setting? "Hardly," the school magazine is anything to go by. The note quoted at the beginning of the article sets the tone. No arrogance of youth here, no "bright clever young things, testing their wits in rebellion. It might have been a part of the school's prospectus. How would the likes of George Orwell, who saw school as a battleground for survival have developed here? Would they have flourished? Or wilted?"



“Eventually we saved enough to pay for Ben's education.”

It's an age-old dilemma. How do you save for your kids' education while you're spending a fortune bringing them up? Lloyds Bank have rather a simple solution in the shape of an Educational Loan.

We can offer you a minimum of £1,000 and, you'll be relieved to hear, there's no maximum.

So now it's possible to send not one, but all your kids to private school.

The loan is flexible. School fees can be paid off immediately, or as

and when they are due.

And as the loan comes with its own special cheque book, the whole process is simplicity itself.

Only the interest is paid monthly. At the moment our rates are a rather competitive 1.2% (APR 15.8).

The capital is repaid when the endowment or policy linked to the loan matures.

What's more, there's no penalty on early or partial repayment, if a windfall does happen to be hurting in your direction.

All in all, Lloyds Bank seems to be the best place to take your kids to school.

Perhaps Ben should think about it for his daughter.

For further information, drop in to your local branch of Lloyds Bank, or simply ring Emma Handley at Lloyds Bank on 01-325 3645.



THE THOROUGHBRED BANK.

Educational loans are available to people aged 18 and over. Lending is at the Bank's discretion. Security may be required. There is a 1% arrangement fee and you also pay any legal or other costs involved in arranging the security. The APR quoted assumes a typical arrangement fee of £50 and costs of £50, both of which are payable when the loan is set up. Interest rates may vary. Life assurance and pension products are provided by Black Horse Life Assurance Company Limited, a subsidiary and marketing group associate of Lloyds Bank Plc. Written details are available from Lloyds Bank Plc, 71 Lombard Street, London EC3P 3BS. Lloyds Bank Plc is a member of IMRO.

FOOD & WINE

Promises, promises, from the '89 vintage

Edmund Penning-Rowse wonders if this will be one of the great years for Bordeaux

WELL BEFORE the grapes were picked, the 1989 red Bordeaux vintage, like the 1982 and earlier much less successful years such as 1964 and 1970, was being shouted home as "the vintage of the century" - with another 11 years to go.

What grounds have there been for this? First, from the beginning in April the growing season was exceptional. In May there were 19 days with temperatures over 20°C (77°F), compared with a previous record of nine days as long ago as 1947.

Consequently, the vine flowering was unusually early at the end of that month and passed off quickly without any of the loss of grapes (*caillure*) or tiny berries (*grains menues*) that often reduces the potential crop.

June was almost totally dry, storms occurred in July and August was dry but not excessively so. As a result the vintage started in August for the first time since 1893 which saw the best year since the phylloxera of the late 70s and 80s.

The dry white vintage began about August 21, and the first vint of the Merlot black grapes were filled at Haut-Brion and Latour on the 31st. Palmer, with a lot of Merlot, started on the 4th, and Pétus, almost entirely so, on the 6th. Then there was a varying length

pause before the later-ripening Cabernet-Sauvignon was picked, but in the Médoc most had finished by the 26th - a date on which the vintage often begins. But it was later elsewhere.

At Haut-Bailly in the Graves, for example, picking ended on October 6. Everywhere the Merlot was strong in alcohol, and the Cabernet sufficiently so as to reduce chaptalisation - sugaring of the must - to the minimum, in some cases eliminating it.

Further grounds for optimism were that there were no obvious faults: the degrees were high, the tannins that can delay maturation were ripe, and there was enough acidity to provide backbone, although this may depend on technical skills less prevalent in more basic Bordeaux than in the upper echelons.

At these levels there was a further 23,000 new employees by 1993. Nor will we be able to count on foreign chefs and waiters. At a recent conference on the industry's labour needs, of the 16 international delegates - including France, Australia and America - only two, Eire and Denmark, did not report clear critical problems in recruiting staff.

In the light of this, and the forecast downturn in the number of schoolleavers in the 1990s, it is somewhat reassuring that the industry has designated November 6-10 as National Careers Week in Catering. During that week more than 1,000 catering establishments, including the catering units of the RAF, the Navy, the Army and British Airways, will open their doors to schools and colleges.

In addition, the weekly trade paper *Caterer and Hotelkeeper* has published 90,000 copies of an ambitious 32-page brochure called *The World of Hospitality*. This tries to tempt by outlining some of the job satisfaction to be gained in the industry - hotels, restaurants,

pubs and mass catering - and lists most colleges offering catering courses.

The week, it is hoped, will also change attitudes, not only of schoolleavers but of their parents. For too long the catering industry has been seen as a last resort, an industry without a proper career structure, one with only small financial reward for long shifts and one that was not really socially respectable.

Sadly, until recently, the industry did nothing to change this image. Last year, a restaurateur was complaining to me about his profits. Twenty years ago things were different he said: margins were healthy, Argentinian steaks cost 35d (old money) and you could sell them for 1/8d each, wine in litro bottles from France and Algeria was good and cheap, there was no VAT and everyone paid cash - very useful for paying suppliers and the staff.

But while restaurateurs grew cash-rich nothing was ploughed back for the good of the industry. When David Nicholls, now 32 and responsible for 1,000 meals a day as

per cent at Latour. Overall the *appellation contrôlée* is predicted to be the same as 1988, but this is because the dry white crop, though of excellent quality, is about one-third less than last year. Sauternes should be very good too, provided that it secures enough of the botrytis ("noble rot") in an autumn more humid than bitherto.

All this sounds promising, and there is no doubt that 1989 will turn out to be a very good vintage, but until the fermentation, including the second, malolactic fermentation, is over and the young wine is in the casks, no one, from the first-growths downward, is prepared to say for certain that it is a great vintage.

An inevitable if irrelevant question is what vintages 1989 may resemble. In fact no one closely resembles another, however, some suggest that it will be a blend of 1982 and 1986. There are bidders for 1961, but this comparison should be ruled out because spring frosts meant the Merlot was wiped out in that year and it was a very small Cabernet

likely to rise by no more than 10 per cent.

However, it is a very different matter with the classed-growths and some international-known wines in their compass.

For one thing, the first-growths have not increased their prices since 1985, and not much since 1982, and they have inflation in France too. Secondly, in recent years there has been a great increase of *en primeur* buying within France, and a leading Bordeaux merchant told me that he had "never seen such excitement among private French growers."

Much, nevertheless, will depend on the US market. The last time it "went mad" was over the 1982 and the last vintage bought substantially *en primeur* was 1985. Prices raced up for the 82s in the summer of 1983 when the franc/dollar rate was around 1.6 and rising in favour of the latter. Today it is 6.33 and unlikely to rise greatly by next summer, but who can tell these days?

If the Americans turn out to be big *en primeur* classed-

growth buyers, and signs of this have been detected in Bordeaux, it will largely be for speculation, a factor also relevant of course, to the UK market which bought the 1982s heavily, not least for the Business Expansion Schemes. Yet a fairly recent big issue in the US is the anti-alcohol campaign. From the middle of next month every bottle of wine entering the country must bear the following label:

According to the Surgeon General, women should not drink alcoholic beverages during pregnancy because the risks of birth defects.

Consumption of alcoholic beverages impairs your ability to drive a car or operate machinery, and may cause health problems.

This label must appear prominently, and 1987 is the last vintage that escapes it. Will this affect 1989 "investment" buyers?

Although prices have not been discussed in Bordeaux it is pretty clear that the first-growths, whose 1988 prices opened at FF180 a bottle (and are now selling at FF185

275-300, will raise their prices by at least 20 per cent to around FF220. And when father turns - and it might be Mouton-Rothschild - all turn. The ever-ambitious top seconds and their equivalents are likely to rise from FF110 last year to about FF140. However, less aspiring classed-growths may recollect that there are still unsold 1986s in their cellars or on the market, that there is a 42 per cent profits tax in force, and thus feel it best to offer their wines initially at attractive prices. After all, the 80s have produced more successful large claret vintages than any other decade in living memory, and even the initially largely rejected 1987s are coming into favour for early drinking.

At least six months will elapse before claret drinkers here need to make up their minds about buying 1989 "opening offers," and by then the quality will be much clearer, merchants will have more information of price should be evident. There is no reason to doubt that at middle levels they will be good value for money but if for the top 20-30 growths it becomes an "investment vintage," as seems not unlikely, one might wait and see. After all, prices of the last "vintage of the century", 1982, have not advanced much in the last few years.



James Ferguson

It's the staff, you see

Nick Lander examines why the catering industry fails to attract high-calibre workers

NEXT TIME you go into a restaurant, be aware of a crisis. Not the usual one of whether it will accept your credit card - but one more basic: will it have enough staff of the right calibre?

There is scarcely a single hotel or restaurant in the country not complaining about a shortage of staff from skilled chefs to the non-trained, but essential, apprentice. Even those restaurants and hotels which have been long immune to such difficulties through their connections in France - such as members of the prestigious Relais and Châteaux group - are advertising for staff. Aod those recruitment agencies which specialise in catering staff are complaining too because, with 30 many vacancies, they cannot keep their customers, the hotels and restaurants, happy.

Part of the reason for this lies in the boom in the catering industry. Between 1977 and 1987 the number in hotel employment rose from 240,000 to 300,000 and in the restaurant trade from 115,000 to 240,000, and this trend is likely to continue.

Overall it is estimated that the industry will require a further 23,000 new employees by 1993. Nor will we be able to count on foreign chefs and waiters. At a recent conference on the industry's labour needs, of the 16 international delegates - including France, Australia and America - only two, Eire and Denmark, did not report clear critical problems in recruiting staff.

In the light of this, and the forecast downturn in the number of schoolleavers in the 1990s, it is somewhat reassuring that the industry has designated November 6-10 as National Careers Week in Catering. During that week more than 1,000 catering establishments, including the catering units of the RAF, the Navy, the Army and British Airways, will open their doors to schools and colleges.

In addition, the weekly trade paper *Caterer and Hotelkeeper* has published 90,000 copies of an ambitious 32-page brochure called *The World of Hospitality*. This tries to tempt by outlining some of the job satisfaction to be gained in the industry - hotels, restaurants,

pubs and mass catering - and lists most colleges offering catering courses.

The week, it is hoped, will also change attitudes, not only of schoolleavers but of their parents. For too long the catering industry has been seen as a last resort, an industry without a proper career structure, one with only small financial reward for long shifts and one that was not really socially respectable.

Sadly, until recently, the industry did nothing to change this image. Last year, a restaurateur was complaining to me about his profits. Twenty years ago things were different he said: margins were healthy, Argentinian steaks cost 35d (old money) and you could sell them for 1/8d each, wine in litro bottles from France and Algeria was good and cheap, there was no VAT and everyone paid cash - very useful for paying suppliers and the staff.

But while restaurateurs grew cash-rich nothing was ploughed back for the good of the industry. When David Nicholls, now 32 and responsible for 1,000 meals a day as



Paul Murphy

head chef of the Royal Garden Hotel, London, went to take the highest exams open to professional chefs more than ten years ago he was told that although the exam called for guinea fowl, it was far too expensive and he would have to make do with chicken. Nor was much done to improve the image of the chef or waiter - both were underpaid, forced to work anti-social split-shifts (i.e. two of my best sons chefs were West Indian - although there should now be similar equality front of house.

More too is being reinvested by those who have benefited from the restaurant boom; American Express sponsors the Young Chef and Waiter of the Year with the Restaurateurs' Association, Diners Club the British Chefs' Scholarship and today's top chefs are taking far more interest in the work of the 300 colleges throughout the country offering catering courses.

The colleges themselves have adapted quickly, despite educational cuts and the absence of any encouragement from this government towards healthier and better food. More thought and energy is being put into bolstering college trading revenues to make up for these cuts and to put their assets - their staff, their stu-

dent and what they produce - to good effect.

Thames Valley College in Slough, the country's third largest catering college, is paid by the borough of Windsor and Maidenhead to run courses on its behalf on food hygiene for all the food outlets in the borough. Westminster College, Vincent Square, London, SW1, the country's only catering college from 1910 to 1939, now houses completely new kitchens and restaurants - modernised in 1985 at a cost of £2.7m - which serve 3,000 meals a week. Most of these are sold to the students, but 400 meals a week are sold to the public in their two restaurants at lunchtime, while a private room brings in evening "function business."

The larger restaurant offers four starters and four main courses, dessert and coffee for £7.50 - the small *a la carte* restaurant costs about £3 per person. All the food is prepared, cooked and served by the students, under the strict supervision of at least three vigilant members of staff. It is extremely good value, providing an exciting glimpse of just what this country could be offering in the next decade. Book two to three weeks in advance on 01-528-1222 between midday and 2pm.

boast that three of its most interesting chefs are Oxbridge graduates - Alistair Little, Rowley Leigh and Rick Stein - as well as a number of top female chefs who have proved that although a chef's role is physically demanding it can also be a source of inspiration - Sally Clarke, Joyce Molyneux, Betty Allen and Gunn Eriksen. The colour barrier, too, is being broken down - two of my best sons chefs were West Indian - although there should now be similar equality front of house.

More too is being reinvested by those who have benefited from the restaurant boom; American Express sponsors the Young Chef and Waiter of the Year with the Restaurateurs' Association, Diners Club the British Chefs' Scholarship and today's top chefs are taking far more interest in the work of the 300 colleges throughout the country offering catering courses.

The colleges themselves have adapted quickly, despite educational cuts and the absence of any encouragement from this government towards healthier and better food. More thought and energy is being put into bolstering college trading revenues to make up for these cuts and to put their assets - their staff, their stu-

This really is hard cheese

IT IS A sad irony that *The French Cheese Book*, Patrick Rance's magisterial guide book to the cheeses of France, should appear at such a dark time for lovers of real cheese. Just at the moment, in fact, when the right to market properly mature, traditionally made cheeses hangs in the balance.

The latest threat follows the listeriosis scare of earlier this year and it takes the form of a government white paper which proposed to protect the general public from cheese handling which might result in infection from the disease.

In its concern for the health of the man in the street, the proposed amendments to *The Food Hygiene (General) Regulations 1979 SI 1172* are wise measures, only once again the government is set to put the cart before the horse. Time and again, the evidence points to the fact that the public is chiefly at risk from shoddily made industrial cheeses. There has been no indication of any problem resulting from eating unpasteurised farmhouse cheeses and pasteurisation in some cases seems to encourage rather than prevent the development of listeria monocytogenes.

The dangerous part of the proposed legislation lies in the temperatures at which cheeses will have to be stored in shops. Traditional cheesemongers take on the job of maturing cheeses and it is their judgment which decides when a cheese is ready to eat. In all cases the best storage temperatures for ripening cheese are in excess of 10 degrees C. In the case of blue cheese the maximum temperature for storage would be 12°C, for all other cheeses 15°C. The government's proposals would limit the storage to 5°C and hard ones to 8°C. At these temperature levels the cheeses simply cannot ripen.

Some of the findings of the report have been welcomed by cheese retailers. Juliet Harbott, of the specialist cheesemonger Jerreans, praises the government's proposal to enforce refrigerated transportation for cheeses, but certain malpractices which occur in supermarkets and delicatessens cannot be so effectively controlled. Cheeses are rotated in a haphazard way, cartons are left by the side of heating outlets, display cabinet lights cook the cheeses beneath them. What is needed is not legislation but a higher level of control and education for those people handling cheese.

At this inopportune time comes not only Rance's book, but a French government campaign to promote their cheeses in this country. This kicked off with a press tasting last month when wine consultant James Rodgers delivered his cogent judgments on the right wines to accompany French cheeses.

Rodgers' wines were splendid but what were the cheeses? For the most part, the outpourings of industrial giants such as Bonigrain and Besnier. My heart went out to him when he was asked to match *Boursin à l'ail* with a suitable wine. It can be pleasant enough as a lunchtime snack, but the only drink likely to be able to stand up to it would be a glass of brown ale.

What the French government should be promoting is to be found in the 500 and more pages of Patrick Rance's new book. Rance's heroes are the cows, goats, ewes and pastures of France. As in his earlier *Great French Cheese Book*, Rance is a stickler for ancient breeds. Camembert and Livarot should be made from the Normande cow, and not the ubiquitous Frisonne-Holstein, in the

Basque country the Bazadoise is dying out, in the north the Marulles breed has become extinct. Happy, the Montbéliarde cow, is still making the blue cheese of Gex and the Comté of the French Jura, just as the Abondance gives its milk to one of Rance's favourite cheeses, the Beaufort of Savoy. Pastures favour the milk with their aromatic esters and these appear in the cheese as long as pasteurisation does not take place.

As Rance reveals, France has its problems, much like this country. Famous cheeses are disappearing. There is no more proper Port-du-Salut produced by the monastery which invented it. Farmhouse Brie is a considerable rarity.



Malpractices have become legion even in small producers: goat cheesemakers cover their cheeses with industrial charcoal and use frozen curd or dried milk to supply demand over the winter months.

Rance's real enemy is pasteurisation. This removes the bite and flavour of the cheese by softening the acidity and destroying the esters which derive from the animals' food. A useful list of appendices at the end of the book provides a resume of the listeria debate, showing that pasteurisation is by no means the answer to the problem. The Department of Health would be wise to take note.

The French Cheese Book, foreword by Jane Grigson, Macmillan £16.95.

When you're as popular as Asbach Uralt you need to flow through more outlets.



Asbach Uralt becomes the most fashionable brandy to drink, it is also becoming an easier brandy to find.

In quality wine merchants and supermarkets all around the country. The rich aroma and smooth, full bodied flavour make Asbach versatile enough to be enjoyed in all types of company and on any occasion.

A fact that has introduced this fine old brandy to a whole new younger generation of brandy drinkers.

From the finest Cognac and Armagnac grapes through to the secret distilling skills of the family Asbach, all the way to your local stockist. The romantic taste of the Rhine has arrived.

To find out more, contact Asbach Great Britain Ltd., Suite 7, Staniland Court, Werrington, Peterborough, Cambs, PE4 6NA, Great Britain.

Asbach Uralt
Fine Old Brandy
Steeped In The Romance Of The Rhine

This sporting life

WHEREVER sportsmen and women are gathered, you will find an intricate set of rules and rituals, among which the food that is served at each event is among the most sacred. Even close friends can fall apart over the delicate matter of whether hot stew or roast beef sandwiches are the most sustaining for a cold winter's walk over the fields and coverts.

For cooks everywhere, the business of feeding those returned from their efforts on moor and stream - from tennis court or the hunt - is a challenge. Anybody who is surrounded by those who like to shoot or hunt, who have a fondness for the turf or the playing field, might like to dip into *The Sporting Cookbook* by Angela F. Rawson & Nikki Rowan-Kedge (The Sportsman's Press, £15). They have collected the sort of recipes that were the backbone of Victorian tradition - Kedgeree, Queen of Puddings, Bread and Butter Pudding (the version preferred by The Prince of Wales), Fotted Beef, Fenison Sausages, Cumberland Sauce, Molasses Spiced Beef in Beer. Many recipes have been culled from famous sporting novels and from the great Victorian cookery writers. Some have come from famous sporting personalities, others have been

passed on by word of mouth, from generation to generation. Here is a classic and authentic pudding of the sort to bring a chap hurrying home at the end of a long day's sport.

DARK CHOCOLATE PUDDING WITH HONEY AND WHISKY SAGE

To serve 4-6
A great favourite with almost everyone who loves puddings: it often appears on the menu of shooting lunches during autumn and winter.

30g/oz (4 cup) cocoa powder
125g/4oz (1/2 cup) butter or margarine
2 eggs, beaten
125g/4oz (1/2 cup) caster (super-fine) sugar
a few drops of vanilla essence (extract)
a little milk to mix
160g/5oz (1 1/2 cups) self-raising flour
(cake flour plus 1 tsp baking powder)

For the sauce: 1 wine glass of whisky
4 tbsp clear honey
1/4 litre/2 pint (1 1/4 cups) milk

125ml/4 pint (1/2 cup) double (heavy) cream
Fused fat of two lemons
1 heaped tbsp cornflour (cornstarch)

Half fill a large saucepan or steamer with water and put it on to boil; grease a 1/4 litre/1 1/4 pint pudding basin.
Cream together the sugar and butter or margarine until fluffy and pale. Add the beaten egg and vanilla essence a little at a time, beat well.

Make a smooth paste with the cocoa powder by adding a tbsp of hot water. Pour this into the egg mixture.
Sieve the flour and using a metal spoon, fold in half the flour to the egg and butter mixture. Add sufficient milk to give a dropping consistency. Fold in the remaining flour and a little extra milk if required to keep a smooth dropping texture. Pour the mixture into the basin, cover with greaseproof (wax) paper and secure with string. Steam for 1 1/2 hours. To make the sauce, heat the 1/4 litre/1 1/4 pint (1 1/4 cups) milk gently, slacken the cornflour (cornstarch) with a little cold water and add to the milk. Four in the honey and stir well until the sauce thickens. Stir in the whisky and lemon juice. Gently heat in the cream.

Pour the sauce over the cooked hot pudding when ready to serve, or serve separately in a warm jug.

Giles MacDonogh

Wines of Westhorpe - for more wine value

RED WINE OF THE YEAR

Hungarian Merlot - robust dry red from Villany, awarded "Red Wine of the Year" in Wine magazine's Wine Challenge this Autumn, out of over 3,000 entries. 24.20

Other Offerings from Hungary: Sauvignon Blanc 1988 - full dry, plenty of fruit 23.80 Cabernet Sauvignon - medium young red from Sopron 23.80 Gewurztraminer 1988 - spicy medium dry from Villany in the South, best value wine 24.20 Chardonnay 1988 - steely, clean, medium dry 24.20 More! Riesling - medium dry 24.20 red natural fruit 24.20 Chardonnay 1988 - full of fruit 24.20 Pinot Blanc 1988 - Dry, crisp, full 24.20 Cabernet Sauvignon - dry 24.20 Pinot Noir - dry red, from the red soil of Villany 24.20 Pinot Noir - dry red, from the red soil of Villany 24.20 Merlot 1983 - note of the Magar Merlot 1983, mature red from Villany 32.90

HUNGARIAN CASE - one bottle of each wine 25.90

Prices include VAT and UK mainland delivery. Discount 2-10 cases, 11-20 cases, 21-50 cases, 51-100 cases, 101-200 cases, 201-500 cases, 501-1000 cases, 1001-2000 cases, 2001-5000 cases, 5000+ cases. Tel: 0273 520011. Fax: 0273 520011.

هذا من اناص

INTERNATIONAL PROPERTY

PUERTO SOTOGRANDE

Where the blue begins...

A yachtsman's haven, an investor's choice, combined with all the assets for the discriminating property purchaser.

On the shores of the Mediterranean in Southern Spain, just a 20 minute drive from Gibraltar's International airport. The widest choice of apartments and berths up to 50 metres

| | |
|-----------------------------------------------|---------------|
| The Final Phase of The Harbour Village | |
| Studios & penthouse studios | from £50,000 |
| One bedroom apartments | from £60,000 |
| Two bedroom apartments | from £100,000 |
| Choice of penthouses | from £145,000 |

| | |
|--------------------------------------------------|---------------|
| The Beach Apartments | |
| Luxury apartments with individual swimming pools | from £305,000 |

PLEASE SEND DETAILS TO:
NAME _____
ADDRESS _____

HOME _____
OFFICE _____

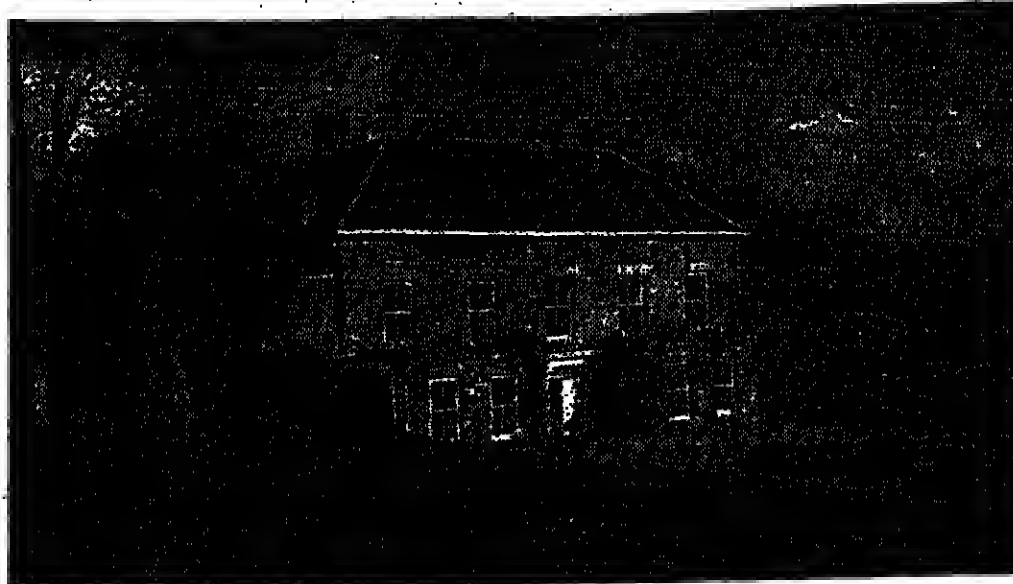
TELEPHONE OR APPLY FOR A BROCHURE TO
PUERTO SOTOGRANDE S.A. 3 SHEPHERD MARKET, MAYFAIR,
LONDON W1Y 7HS. TEL: 01-495 3630 (24 HOURS) FAX: 01-409 1015
OR VISIT OUR LONDON OFFICE EXHIBITION.

PROPERTY

Where ground rent costs a Cornish pasty

Michael Hanson finds that the interest rates rise has had a crippling effect on property in the south west

LONG AFTER the property boom had subsided in the south east, estate agents in Cornwall were still talking about a revival of the local economy, largely attributable to the efforts of a one-man development corporation, Peter de Savary, in acquiring Land's End, Falmouth Docks and Hayle Harbour.



Truthan (above) an 16th century manor house that once commanded an estate of more than 5,000 acres, is still for sale through Miller and Co at £200,000 with 11.5 acres.



Offers over £375,000 are being sought by Strutt and Parker's Exeter office for the 60-acre West Kernick Farm (right) near Launceston

Even he has checked his customary whirlwind pace to take account of the slowdown in market activity. Having paid £6.78m for the 105 acres of Land's End in October 1987, he has since spent a further £5m on improving the facilities for visitors and protecting the natural environment.

The 34-bedroom State House hotel has been upgraded, an excellent visitor centre has been built, and the First and Last Inn at Sennen has been refurbished. Land's End now employs 180 people and attracts 750,000 visitors a year, earning de Savary English Tourist Board's award as tourism personality of the year.

Savary's Aldersgate Developments plans a £250m development with up to 1,000 houses and an all-weather holiday centre on 138 acres of the 900-acre rundown fishing harbour.

David Bellamy has persuaded de Savary to allocate 275 acres for a nature reserve, and the rest of the site is salt-pans, sand dunes and the harbour. Royal Assent has been given to a Bill allowing the Hayle Harbour Company to improve the harbour, and architects Andrews Downie and Partners are now working on detailed plans for the first phase of 142 waterside houses, a small shopping centre and a museum, for which planning permission has been given.

deceased but formerly chairman of Queens Park Rangers, and Michael Lucas. Shortly afterwards, BOM sold it to another property company, Swordhurst, run by Michael's brother, Stephen Lucas, and Barry Williamson.

Swordhurst's proposals for a mixed development around the old china clay harbour, where 26 of the 30 industrial buildings are standing empty, were announced in July 1988, but the planners did not like the details. Revised plans for 120 houses and flats, 12 shops, 20,000 sq ft of industrial buildings and 12,000 sq ft of offices were again deferred by the local planning committee at last month's meeting.

House prices rose 45 per cent in the south west in 1988, according to the Bristol and West Building Society, and agents expected them to continue rising, but the usual stream of buyers from the

south east failed to materialise this year. By Easter, when Bristol and West (which owns 66 house agents) found its statistics showed house prices still rising when they were patently falling, it decided to stop publishing its quarterly review of property prices. "Our figures were based on valuations of a sample of representative properties, not on our mortgage loans, and we didn't think they were very helpful," explains David Collett, Bristol and West's spokesman.

Leading estate agents in Cornwall put the fall at anything from 15 to 25 per cent, and the fall in the volume of house sales this year at up to 50 per cent of last year. They urge sellers to be more realistic in their asking prices, though this alone will not guarantee a buyer.

"There has been a radical reduction in the number of enquiries from people in London and the Home Counties, who over the past two years have pushed prices up," explains Ludvic Laskowski of Miller and Co in Truro. "Most vendors are not in a rush to sell, and buyers have lost their desire to make a rapid decision, in case prices go even lower."

Among Miller's best sales this year has been a bungalow at Restrongt Point, with three-quarters of an acre of garden and long frontage to the sailing waters of Carrick Roads. Offered at £285,000, it attracted a local buyer at just over £300,000.

An old coastguard's cottage at Zennor, near St Ives, was sold at the asking price of £180,000 to an American who will use it as a vacation home. But Old Tresco House, St Ives, the award-winning renovation and extension by architect Barrie Briscoe, is still for sale at £225,000 through Miller (tel: 0872-74211). So, too is Lamorna Cove, near Penzance, which failed to sell by tender in August, and for which Miller is now seeking £1m for its little granite-walled harbour, two car parks, a shop, a cafe, a cottage, a holiday flat and 25 acres of land.

Miller is also still seeking offers over £275,000 for the 14-acre Walsingham Farm, near Zennor, owned and run since 1948 by Richard and Betty Williamson, whose two-bedroom cottage is included in the sale. Or, for £550,000, one can buy 123 acres with planning consent for an 18-hole golf course and country club, adjoining Treasowen Manor, near Penzance, with spectacular views over the bay to St Michael's Mount.

Last month, just when banks, building societies and insurance companies were regretting having bought so many estate agents, the Trustee Savings Bank added to its 182 agencies by acquiring the 16 offices of Stratton Creber - itself a merger of West Country agents. The firm, Lane and Greber, which traded its centenary this year, and Stratton and Holbrook established almost 30 years ago.

Graham Adam, chairman of Stratton Creber Residential, says: "The market is certainly dead now. We thought we were beginning to see a revival in August and September, but the rise in interest rates has put the lid on things. Whatever the state of the market, however, there is always someone who will jump at the right opportunity."

He hopes that, assuming rates move above 21.5m, will jump buying the 699-acre Colgate Estate just north of Bodmin, for which Stratton Creber are joint agents with Knight Frank and Rutley. This has an 18th-century house, 200 acres of estate land and 100 acres of woods, land, over which a first-class shoot has been established since 1950. It is being marketed by George Peter Bohly.

One of Stratton Creber's best sales this year has been Silver Tree Cottage on the island of Treason, the second biggest of the Isles of Scilly. A buyer from the south east paid close to the asking price of £350,000 for a 99-year lease of this three-bedroom cottage, built seven years ago.

Treason is held on lease from the Duchy of Cornwall by Robert Dorrien-Smith, who recently took five hours making an atrocious weather from Treason to St Michael's Mount to raise £10,000 for the Isles of Scilly Environmental Trust of which he is chairman. The trust works to preserve the natural, unspoiled beauty of the islands. It has a 99-year lease from the Duchy of Cornwall of all untenanted land, including the uninhabited islands, amounting to about 3,000 acres.

Having opposed the building of the new luxury hotel on St Martin's, which brought it into conflict with its patron, Prince Charles, the trust is now fighting proposals to extend the airport on St Mary's. If it loses, the necessary land for the extension will be repossessed from the Trust by the Duchy of Cornwall.

SOTHEBY'S INTERNATIONAL REALTY

Marbella, Spain

A delightful country estate overlooking the Golden Mile, consisting of 22 acres of mature tropical fruit trees in the foothills of La Concha and bordering the National Park, in an area which has been zoned for development.

The main house has two en suite bedrooms, two reception rooms, an outside dining area, swimming pool and pool terrace with magnificent views to Gibraltar and the Moroccan coast. There is also a guest house, a separate staff house, a gardener's cottage and storage facilities.

Viewing strictly by appointment. Price on request.
Brochure number: 1920015

SOTHEBY'S INTERNATIONAL REALTY
94-95 New Bond Street, London W1A 2AA
Telephone: (01) 408 5196. Facsimile: (01) 409 5100

DIANA MORALES PROPERTIES
Los Portales 2
Avenida Ricardo Soriano, 120
29600 Marbella, Malaga
Telephone: (32) 822853. Facsimile: (32) 771871

ANDRE LANAUVE & Co

CHERBOURG PENINSULA

18th & 19th CENTURY CHATEAU Situated near Saint Louis, this superb chateau is in good condition but needs refurbishment. 500 sq. m. of habitable area, 12 large rooms and attic. Lovely ornamental staircase. Situated in 5 acres of mature park planted with established trees. Large outbuildings. Decorations and modernisation are required. £1,670,000 Ref: 50-01-12. This is an example from the most extensive range of French properties ranging from £20,000 for a cottage in Normandy to £2,000,000 and more for a Chateau.

9 Old Bond Street London W1X 3TA Tel. 01-499 4857 Fax 01-483 5329

The 27th SHOW HOMES ABROAD EXHIBITION

Europe's Largest Overseas Property Exhibition - Over 80 exhibitors!

| | | |
|----------------------------------|------------------------------------|----------------------------------|
| FRIDAY OCTOBER 27 11am-6pm | SATURDAY OCTOBER 28 11am-6pm | SUNDAY OCTOBER 29 11am-6pm |
|----------------------------------|------------------------------------|----------------------------------|

THE CUMBERLAND HOTEL
MARBLE ARCH, LONDON W1
ENTRANCE FREE

Marble Arch Tube Ample Car Parking

... in the heart of St James's

A rare and prestigious new development of high quality 2 and 3 Bedroom Apartments.

- Private Parking
- 126 Year Leases - 24 hr Portage
- Exceptional standard of finish

Prices from £340,000

Knight Frank & Rutley
LONDON RESIDENTIAL

PRUDENTIAL
Property Services

Lane Fox

BELGRAVIA, SW1.

An exceptional and particularly elegant white stone-fronted Victorian house (c.1845) offering extensive and well presented accommodation, including five reception rooms, excellent kitchen, conservatory and the added advantage of a private double garage occupying this sought-after location in Belgravia.

FIRST FLOOR: DRAWING ROOM; DINING ROOM; LIBRARY; PLAYROOM; CONSERVATORY WITH ROOF TERRACE; SIX BEDROOMS; SIX BATHROOMS (FOUR ENSUITE); KITCHEN/BREAKFAST ROOM; PANTRY; UTILITY ROOM; LAUNDRY; THREE ROOF TERRACES; PRIVATE DOUBLE GARAGE.

£1,450,000 51 YEAR LEASE

35 Cadogan Street, London SW3 Tel: 01-225 3866

THE OLD RECTORY CHELSEA

An Important and Historic Building standing in its grounds of about 2 1/2 acres. 17 principal rooms. Approximately 8,000 square feet in all. Leasehold 118 years.

FOR SALE BY PRIVATE TREATY

Knight Frank & Rutley
LONDON RESIDENTIAL
82 Strand Street, London SW1E 6JH
Telephone: 01-224 8271 Fax: 01-224 8272

STRUTT & PARKER
London Residential
66 St James Street, London SW1X 9SH
Telephone: 01-225 9959 Fax: 01-245 1240

WHEN YOU INVEST IN DOCKLANDS PROPERTY - SECURE A PLACE NEXT TO EUROPE'S NEW FINANCIAL CENTRE.

Cumberland Mills is a unique opportunity to invest in one of Europe's most exciting and popular riverside properties.

Ideally placed for the City and Europe's newest financial centre, its position opposite Greenwich offers the best view in London.

The superbly finished one, two or three bedroomed apartments from £110,000 and the fabulous four storey penthouses at £225,000 - most featuring enormous terraces - are ready now!

So call Valerie or Keith on 538 4030 to view the showflats - open 7 days a week, between 11.00 a.m. and 6.00 p.m.

MORTGAGES HELD AT 9 1/2% FOR TWO YEARS

VOIDED BY DOCKLANDS

Johnnie

COUNTRY PROPERTY

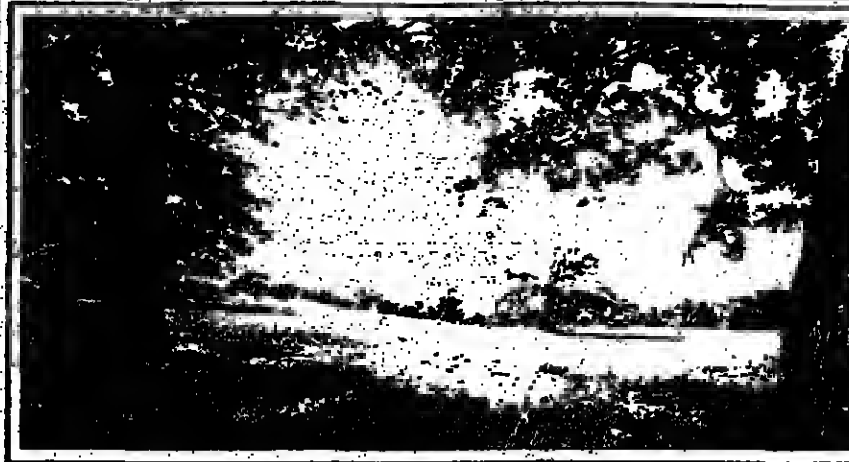
UK OFFICES

London, Beaconsfield, Clipping Norton, Gloucester, Edinburgh, Glasgow, Guildford, Hereford, Huddersfield, Leeds, Oxford, Sheffield, Strathmore, Shrewsbury, Stratford-upon-Avon, Tunbridge Wells.

Knight Frank & Rutley

Overseas Offices

Australia, Belgium, Botswana, France, Hong Kong, Japan, Malaysia, New Zealand, Nigeria, Singapore, Spain, United States of America, Zimbabwe.



Warwickshire
Kendworth 2 1/2 miles.
Warwick and Royal Leamington Spa 4 1/2 miles.
Coventry 6 miles.
A small residential estate with mature park and woodland in the heart of England.
Outline planning permission for a golf course.
Grade II listed houses with scope for extension.
Separate Grade II listed entrance lodge with 3 bedrooms.
Fishing, shooting.
About 176 acres
As a whole or in 3 lots
Apply: London 01-629 8171

Kent
Hormeaden, Tunbridge Wells 6 miles.
London 40 miles. M25 12 miles.
Gatwick Airport 26 miles.
An impressive house overlooking its own park and lake
Reception hall, 4 reception rooms.
Master bedroom suite with dressing room.
Guest bedroom suite, 4 further bedrooms and 2 further bathrooms.
Staff flat, 2 cellars. Central heating.
3 bedrooms lodge, swimming pool, tennis court and stables. Garages and outbuildings.
Formal gardens, lake, parkland, lake and woodland.
About 114 acres
As a whole or in 4 lots
Apply: Tunbridge Wells (0892) 615038 or London 01-629 8171



Worcestershire
Worcester 4 miles. Birmingham 22 miles. M5 3 miles.
A well proportioned Grade II listed house and farm in open countryside
4 reception rooms, master bedroom suite, 3 further bedrooms, 3 bathrooms, shower room.
Stabling and garages, modernised cottage, swimming pool.
Mature and young woodlands.
About 60 acres
Apply: Stewart White & Co. in association with Knight Frank & Rutley Tel: (0800) 723438

Somerset
Somerton, Yeovil 10 miles.
Tunton 15 miles. London 120 miles.
M5 (J.95) 15 miles. A303 2 miles.
An exceptionally well presented and historic Grade II listed house standing in parkland
Reception hall, 3 reception rooms, billiard room. Master bedroom suite with dressing room. Guest bedroom suite, further bedrooms, 4 utility rooms. Office. Oil-fired central heating. Guest cottage. Staff cottage. Indoor swimming pool. Garaging. Outbuildings. Landscaped gardens. Superior house. Parkland. Stable yard. All weather gallop. Paddock.
About 52 1/2 acres
Apply: Sherborne (0885) 812296 or London 01-629 8171



West Sussex
Horsted Keynes 2 miles. Haywards Heath 4 miles. Gatwick 15 miles.
A beautiful 17th century listed farmhouse
Drawing room, dining room, sitting room, 5 bedrooms, 2 bathrooms, shower room, conservatory, playroom, swimming pool, hard tennis court.
Mature gardens and grounds. Paddock. 17th century barn suitable for conversion.
About 23 acres
Joint Agents: Taylor Taiter, East Grinstead (0342) 324 478
Knight Frank & Rutley, London 01-629 8171

Avon
Bath City Centre 1 mile. M4 (J16) 10 miles. Bristol 19 miles.
A detached listed Grade II former coach house skillfully extended, now providing an international style of finish.
4 reception rooms, 3 bedrooms, 2 bathrooms, oil-fired central heating.
Walled garden, double garage.
Offers in the region of £235,000.
Joint Agents: Pritchard & Partners (0825) 468235
Knight Frank & Rutley, Gloucester (0885) 659771

West Sussex
Sharpthorne, East Grinstead 4 miles. Victoria 60 minutes.
An immaculate 16th century farmhouse situated on the edge of Ashdown Forest
3 reception rooms, 4 bedrooms, 2 bathrooms. Oil-fired central heating.
Extensive range of outbuildings including detached period barn.
Garaging for 2 cars. Stables, swimming pool, garden and paddock.
About 2 acres
Apply: Tunbridge Wells (0892) 615038

East Sussex
Forest Row, East Grinstead 3 1/2 miles. M23 10 miles. Gatwick 16 miles.
An elegant country house with distant views over the Ashdown Forest
3 reception rooms, 6 bedrooms, 4 bathrooms. Self-contained staff flat.
2 bedrooms cottage. Range of outbuildings.
Magnificent formal gardens with heated swimming pool and hard tennis court.
About 5 acres
Apply: Tunbridge Wells (0892) 615038 or London 01-629 8171

Surrey
Cobham 4 miles. London 20 miles. Heathrow and Gatwick 30 minutes.
A delightfully situated family house in excellent condition with southerly views
Hall, 3 reception rooms, conservatory dining room, 4 bedrooms, bathroom and en-suite shower room. Oil-fired central heating.
Garaging. Stabling. Garden and paddock.
Offers in the region of £295,000
About 5 1/2 acres
Apply: Guildford (0483) 65171

20 Hanover Square, London W1R 0AH Fax: 01-493 4114 Telephone: 01-629 8171

SAVILLS

ABERDEENSHIRE - River Don
Aberdeen airport 23 miles.
2 1/2 miles of outstanding salmon fishing and attractive modern house set amidst delightful countryside.
A grand 1 1/4 miles of salmon and brown trout fishing on the River Don.
10 running pools, 30 salmon average catch.
Lot 2: House: hall, 2 reception rooms, kitchen, utility room, 5 bedrooms, bathroom, drying room.
Paddock, loose box and attractive gardens.
Free sale as a whole or in 2 lots with vacant possession.
Savills, Edinburgh. Tel: (031) 226 6961

WEST SUSSEX
The Crimbourne Stud
Whitworth Green 2 miles. Billingshurst 4 miles. Victoria 60 minutes.
A superbly situated Elizabethan listed farmhouse in need of modernization with outbuildings and 2 cottages in 49 acres.
6 bedrooms, 3 bathrooms, hall, 3 reception rooms, listed Sussex barn and granary, 13 stables, Dutch barn, outbuildings, 2 bungalows and excellent paddocks.
Price guide for the whole £900,000.
The main property £750,000. Harts Head Bungalow £150,000.
Savills, Guildford. Tel: (0483) 576531. Contact: Tommy de Maller Morgan.

SURREY - West Clondon
1 1/2 miles from A12 near 17th century village residence, meriting an article in the Country Life, remodelled by Sir Edwin Lutyens, with additions by Baillie Scott & Troop, and offering quite superb accommodation.
Hall, cellar, 5 outstanding classical reception rooms, soft studio, exceptional kitchen, 6 bedrooms, dressing room, 5 bathrooms.
Cannery, garden and paddocks, about 5 acres in all.
Price guide: Offers in excess of £850,000.
Savills, Guildford. Tel: (0483) 576551.
Contact: Tommy de Maller Morgan.

HAMPSHIRE 102 ACRES
Near Lipook
Lipook 2 miles. Wexley 25 minutes. London 49 miles.
Outstanding period house on the banks of the River Wey.
Impressive great hall with minstrel gallery.
3 panelled reception rooms, domestic quarters, sun room, 7 bedrooms, 3 bathrooms, nursery wing, 2 cottages, squash court, tennis court, swimming pool, garaging, outbuildings, stables, river lake and 1/2 mile double bank fishing.
Prices on application.
Knight Frank & Rutley 01-629 8171.
Knight Frank & Rutley, Guildford. Tel: (0483) 65171.
Savills, London. Tel: 01-492 8644.
Savills, Guildford. Tel: (0483) 576551. Contact: Tommy de Maller Morgan.

EDINBURGH NEW TOWN
Charming Georgian townhouse in elegant residential crescent. 5 mins Charlotte Square. Beautifully restored with fine original features.
Stone flagged hall, 3 windowed drawing rm, dining rm, kitchen/breakfast rm with aga, 4 bedrooms, 3 bathrooms. Full gas C.H.
Sunny rear terrace garden.
Offers over £250,000
Tel: 031 332 8820

NORFOLK
17 mins walk Liverpool St and 2 hrs train. Line now being electrified.
Bungalow, East facing. Edge of village. 4 Bed, 2 Bath, 2 Reception rooms, office etc.
£22,995
Interested?
Tel: (0553) 618331

KING JAMES' GATE THE WATERMARK OF DISTINCTION
IN HISTORIC OLD PORTSMOUTH
The Inner Camber, in the heart of the conservation area, provides the perfect setting for King James' Gate, the highly acclaimed waterfront development in historic Old Portsmouth.
Phase One, offering just 2 apartments and 18 three and four bedroom houses, is being built along Spice Quay and Broad Street, to the most exacting and sympathetic standards.
King James' Gate provides a rare chance to acquire quality accommodation in a unique maritime environment, whilst enjoying the opportunity for priority moorings.
For a copy of the brochure or for more information please call Pat Spencer at the Sales Office on 0705 827973 between 10.30am - 5.30pm Monday-Sunday. She will also be pleased to arrange a personal tour of the site and Show House.
Prices from £230,000.

01-499 8644 20 Grosvenor Hill, London W1X 0HQ

HEMEL HEMPSTEAD
Unique 4 bedroomed double glazed house in up and coming town. Picture-gallery entrance hall, High ceilinged studio. Near town centre. M1, M25. Euston 30 minutes. Fine views. Large garage. £315,000 ONO.
0442-52485

Bryan Bishop
HERTFORDSHIRE/AVOT GREEN
KINGS X 26 miles. A1(8) 1 1/2 miles. Central London 25 miles.
16th Century listed house overlooking the Green. Many period features, beautifully appointed with large garden.
Entrance Hall, Drawing Rm, Dining Room, Kitchen/Breakfast Room.
3 Bedrooms, 2 Bathrooms, Detached Garage. Mature Grounds to cover an Acre.
REGION £250,500

HERTFORDSHIRE/BENNINGTON
KINGS X 30 Miles, A1 (8) access 5 miles.
16th Century listed house formerly an old rectory in glorious setting with its coaching inn. As preserved by the National Trust. The whole now being offered for sale with grounds of 10 acres. REGION of £1.2 million.
SPECIALISTS IN THE SALE OF COUNTRY HOUSES IN HERTFORDSHIRE
29 High St, Welwyn, Hertfordshire (043871) 8877

KEYNSHAM, Between Bristol and Bath
A distinguished Period House, set within picturesque surroundings, having about 500 feet of River Chew frontage/fishing rights.
Four Reception Rooms, Four Double Bedrooms.
PRICE GUIDE: £285,000
COOPER & TANNER, Nationwide Anglia, 8 High St, Keynsham, Bristol, Avon Tel: (0272 669331)

G.W. FINN & SONS
Residential
WEST HOUGHAM EAST KENT
A picturesque Perfect Country Cottage surrounded by farmland secluded but not isolated with scope for modernisation
Offers in the region of £124,000
Tel: (0303) 862246

XVI WEEKEND FT

INTERNATIONAL PROPERTY



A very impressive property with 125 acres of land in the South East of France. 300m of front road with 6 large bedrooms. The property has numerous outbuildings which include a caretaker flat. The property would be ideal for horsebreeding. 2,500,000 French Francs.



Historic. A very well restored country house in approximately 2600m of grounds. Downstairs there are 5 reception rooms, kitchen etc. Upstairs the property has 2 beds with room for more. There are numerous annexes & outbuildings. 715,000 French Francs including all fees.

PROPERTY BROKERS INTERNATIONAL LTD.

Property Brokers International have on average 1000 French properties on their books, please telephone for details

(0604) 21922

CYPRUS

PROPERTY EXHIBITIONS
OCTOBER 1989
 21st Nelson Hotel - Norwich
 22nd Severage Mill House - Sevenage
 Wednesdays 12 noon - 10 p.m.
 Weekends 10 a.m. - 7 p.m.
 • FOR SALE FREEHOLD
 EXCLUSIVE VILLAGES - LUXURY FLATS - MAISONNETTES - SHOPS - OFFICES - LAND
 • FINANCIAL TERMS AVAILABLE
 • DAILY INSPECTION FLIGHTS
 For further information

Leptos Estates
 The Leading Property Developers
 55a Green Lane, London N18
 Tel: 01-2400002/781
 111 Ave. Parkway Ave
 Cyprus
 Tel: 87-33776 Cyprus

VILLARS 1300 M SWITZERLAND

THE WINTER SUMMER RESORT
 70 minutes from Geneva airport
 A choice of unique beautiful residential properties
 Finished to the highest Swiss standards
 Direct sales from the developer
 South facing with breathtaking mountain views
 Beautiful balconies and secure
 Attractive Swiss mortgages at 6.5%
 APPROVED SALES TO FOREIGNERS
 Contact: David de Laro
 34 Faros Road London W14 OEP
 Tel: 01-603 1371 Fax: 01-602 6877

IMMOBILIARE DIE WILHELMSEN ESTABLISHED 1961

Switzerland Jura

Exclusive Three Bed. Purpose built Chalets with Lake and Mountain Views.
 From 450,000 Sfr.
 U.K. Sole Agents:
PROJETEL
 Real Estate and Development
 120 Over Hill, Guildford, Surrey
 GU1 2DD ENGLAND
 TELEPHONE: (0478) 571220/8294

CENTRAL FLORIDA USA

Commercial and residential developed plots and properties in High class localities.
 Full leisure and golf facilities.
SHARMAN & SHARMAN
 451 Alexandra Ave, Harrow, Middlesex
 Tel: 01-865-0177
 Fax: 01-865-9101

MERIBEL

Beautiful 3 bedroom family chalet, adjoining golf course and slopes.
 Large reception, kitchen and dining room with masses of sunny terraces. Sauna, ski room. Serious enquiries only.
 Please phone: 0344 421977

ESTORIL, PORTUGAL

Modern apartment available now with traditional features. Quiet yet close to shops, station. 2 bedrooms, Reception, Kitchen with 3 balconies, Bathroom, Garage, Solarium, large Patio.
 897,000
 Phone: (0892) 832278

Full Colour Residential Property Advertising
 APPEARS EVERY SATURDAY
 Rate £44 per Single Column Centimetre.
 TEL CAROL HANEY 01-873 4657

LONDON PROPERTY

From dream to reality

New Houses and Apartments in an idyllic riverside setting

Available Now

HENLEY ON THAMES

- All reception rooms overlooking the river
- Landscaped and secure private gardens



- Balconies and patios to all houses
- Panoramic views of the Thames and Henley Bridge



SAVILLS
 18 Hare Street
 Weymouth, Dorset
 DT9 1AU
 (0491) 579990

SAVILLS
 18 Hare Street
 Weymouth, Dorset
 DT9 1AU
 (0491) 579990

Show House Telephone No. 0491 410443

Opening Hours: Monday - Friday 11am - 6pm. Saturday - Sunday by appointment.

A development by **Ironcliffe Homes Ltd.**

COUNTRY PROPERTY

STRUTT & PARKER

13 HILL STREET BERKELEY SQUARE LONDON W1X 8DL

01-629 7282



SHROPSHIRE - Nr Oswestry. Chester 27 miles.
 An excellent, peaceful Georgian house overlooking unspoilt parkland. Entrance hall, 3 receptions, domestic offices, 5 principal bedrooms, 2 bathrooms, 2 secondary bedrooms, 3 attic rooms. Garaging & stores. Gardens. About 2 acres. Region of £375,000. Further land available. Chester Office: Tel: (0244) 310274.



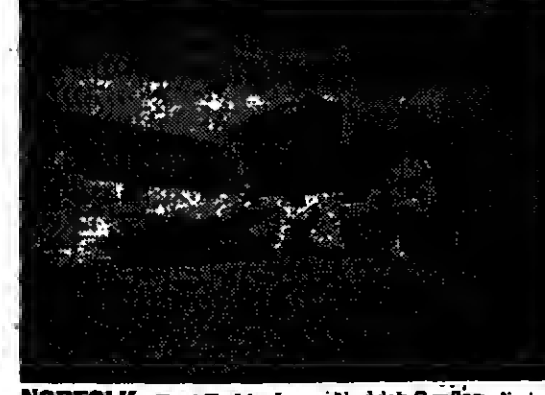
DORSET - Leigh. Sherborne 6 miles. A Grade II Listed Jacobean stone farmhouse. 3 receptions, kitchen/breakfast room, utility/shower room, 5 bedrooms, 2 bathrooms. Integral garage (potential for accommodation subject to p/p). Walled gardens, grounds & paddock. About 3 1/2 acres. Region of £285,000. (Further land available). Salisbury Office: Tel: (0722) 28741.



KENT - Stouring. Ashford 7 miles. A grade II listed Georgian Grade II Listed house on the edge of a pretty village. 3 receptions, 5 bedrooms, 3 bathrooms, double garage, garden store, stables. Swimming pool, gardens and paddock. About 8 acres. Region £380,000. Further 2 bedroom dwelling available by separate negotiation. Canterbury Office: Tel: (0227) 451123.



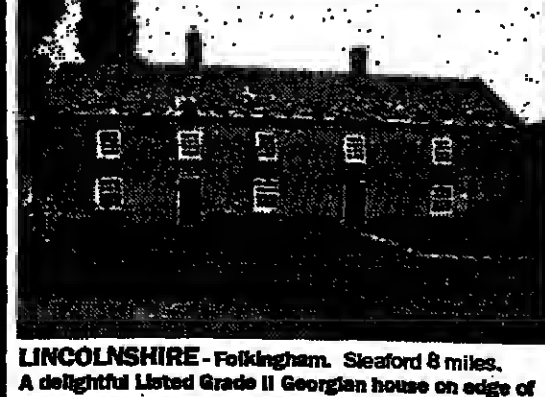
SURREY - Englefield Green. Egham 23 miles.
 A charming Edwardian former coach house situated opposite Windsor Great Park. Reception hall, 2 receptions, kitchen/breakfast room, 4 bedrooms, 2 bathrooms. Drying room, double garage. Delightful walled gardens. About 2 acres. Region £325,000. London Office: Tel: 01-629 7282.



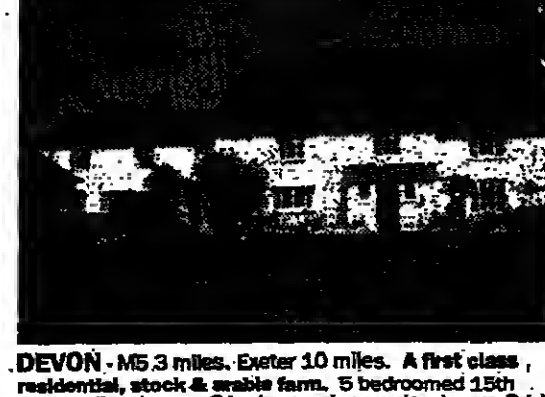
NORFOLK - East Tuddenham. Norwich 9 miles.
 Charming Elizabethan Grade II Listed hall needing further modernisation. 2/3 receptions, unmodernised wing, 5/6 bedrooms, 2 bathrooms, 4 large attic rooms. Extensive outbuildings, stables, listed barn. Mature gardens, paddocks, lake. About 7 1/2 acres. Offers invited. Norwich Office: Tel: (0603) 617431.



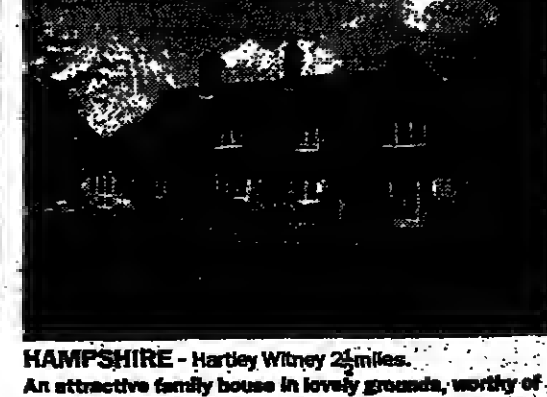
NORTH NORFOLK COAST - Thonman. Brancaster 3 miles. A spacious period house together with separate 3 bedroom cottages. 3/4 receptions, 8 bedrooms, 3 bathrooms, garage. Large mature gardens with hard tennis court. Easy walk to magnificent beaches. About 2 acres. Region of £425,000. Norwich Office: Tel: (0603) 617431.



LINCOLNSHIRE - Fellingham. Skefford 8 miles.
 A delightful Listed Grade II Georgian house on edge of conservation village. 3 receptions, breakfast kitchen, master bedroom & shower room, 3 further bedrooms, guest suite. Outbuildings, gardens. Region £250,000. 2/3 bedroom cottage also available by separate negotiation. Grantham Office: (0478) 65886.



DEVON - M5 3 miles. Exeter 10 miles. A first class, residential, stock & arable farm. 5 bedroomed 15th Century Farmhouse. 3 bedroomed secondary house. Brick barns with p/p for conversion to 3 res. units. Farm buildings, Grade 1 & 2 agricultural land. Fishing rights on River Cullin. About 22 1/2 acres. For sale whole or in 3 lots. J.S.A. Thorne & Carter. Tel: (0884) 33333. Strutt & Parker Exeter Office: Tel: (0392) 215631.



HAMPSHIRE - Hartley Wintney 23 miles.
 An attractive family house in lovely grounds, worthy of further enlargement. Entrance hall, 3 reception rooms, kitchen/breakfast room, 4 double bedrooms, bathroom, dressing room/bathroom 2. Range of outbuildings. Timbered gardens, grounds & paddocks. About 5 acres. Newbury Office: Tel: (0635) 521707.

GEORGIAN CHICHESTER EXCLUSIVE HOMES FOR PEOPLE OF DISTINCTION

To the beautiful City of Chichester, Abbey Housing are proud to introduce a prestigious development created from the shell of a genuine period property and featuring 11 luxurious homes, from lovely 2 bedroom townhouses to an outstanding 5 bedroom apartment, designed for the way you want to live and built to the very highest specification.

Features include:

- Fully fitted kitchen incorporating oven and hob with extractor hood, washer/dryer and fridge to a range of attractive units.
- Oil or electric central heating system.
- Beautiful white bathroom suite with co-ordinating wall tiles.
- Most residences offer an en-suite bath or shower room and fitted wardrobes to the master bedroom.

Georgian Priority - for the way you want to live.

Knigh Frank & Rutley
 LONDON RESIDENTIAL

151 Old Brompton Road
 W8 5TL
 Tel: 01-873 4511

PEMBROKE GARDENS, KENSINGTON
 An impressive house, with unusually large well proportioned rooms and a spectacular garden.
 • 7 Bedrooms • 4 Bathrooms • Dressing Room •
 • Dining Room • Library • Study •
 • Family Room • Staff Flat • Passenger Lift •

FREEHOLD
 Joint Sole Agents De Groot Collins 01-822 0690 and Kensington 01-822 4511

Lane Fox

HAMPSHIRE - ODIHAM
 Odiham 8 miles, Farnham 8 miles, M3 2 miles.
 AN EXCEPTIONAL MODERN RESIDENCE
 within a few minutes walk of the High Street
 5 Reception Rooms, Conservatory, Kitchen/Breakfast Room,
 5 Bedrooms, 2 Bathrooms
 Garaging, Partly-walled garden.
 Offers in excess of £325,000
 Joint agents: Lane Fox (0256) 474647 & John D Wood (0252) 737115

Head Office: 15 Hill Moon St, London W11

DITTISHAM COURT

Overlooking the River Dart
 Dittisham, South Hams, Devon

A marvellous development of luxury, traditional houses and cottages in the heart of Dittisham Village.
 2-4 bedroom properties all with dinghy spaces by the river.

Prices from £95,000 FREEHOLD

Registered for JACOBSON-STOPS & STAFF
 10 SOUTHERNDOWN WEST
 BOSTON LIN 1JC
 0392 214222

A luxury development by **Downland**

INDIVIDUAL RETIREMENTS FOR INDEPENDENT PEOPLE

FULLANDS COURT TAUNTON, SOMERSET
 2 & 3 bedroom cottages and flats
 £135,000-£200,000

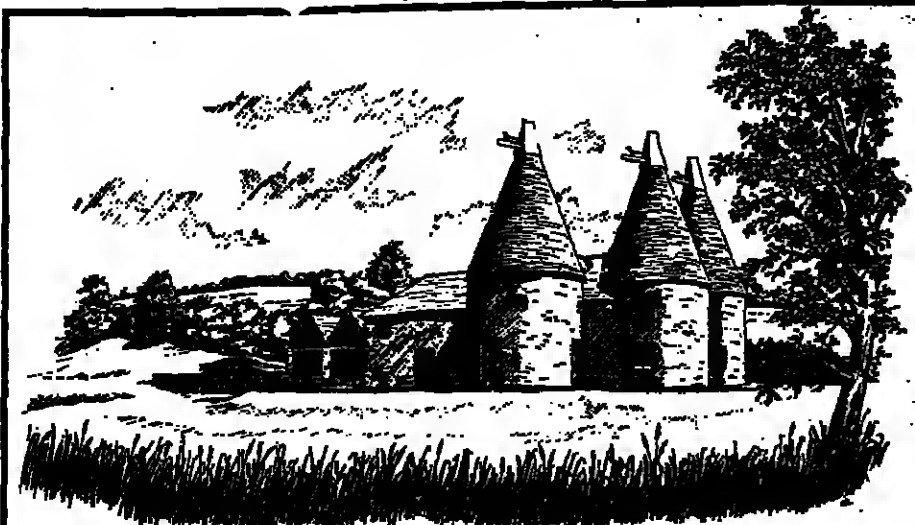
THE ENGLISH COURTYARD ASSOCIATION
 8 Holland Street London W8 4LT
 01 937 4511

G.W. FINN & SONS
 CHARTERED SURVEYORS Residential

NORTH ELHAM EAST KENT
 16th Century Farmhouse
 together with
 A Barn and Stable
 for Conversion
 £290,000
 Tel: (0303) 862248

COUNTRY PROPERTY

Summerford Oast
Summerford Farm,
Beech Green Lane,
Withyham, Sussex



A truly exceptional conversion of a beautiful 3 ringed Oast House to form a quiet outstanding country house of immense charm and character, comprising of 4 reception rooms, large luxury fitted kitchen & utility room with all appliances. Features curved staircase, 6 bedrooms with 5 En-suite and 1 family bathroom, all tiled with showers and Gold sanitary ware. Games room, Health suite including genuine jacuzzi, Nordic Finnish Sauna, Shower and W.C. Huge garage and parking area. All set in 1 1/2 acres of landscaped garden with river frontage to the Medway and stunning views over unspoilt Sussex countryside. Benefits include Gas central heating, mains drainage, full double glazing, security sensor lights, sophisticated satellite video system. All door and window furniture in solid brass. Offered for sale as a whole or in three lots. Lot 1. The Oast House, offers invited at £700,000 for the freehold. Lot 2. The Stableblock, with planning permission for a 4 bed, 3 rec, 2 bath house offers invited at £125,000 for the freehold.

Telephone:
0342 715743



Facsimile:
0342 717607

DISCOVER THE MAGIC OF



**CASTLE STREET
FOOLE - DORSET**

A beautiful new quayside development of Victorian style townhouses in the Old Town Conservation area. Superb apartments, with magnificent harbour views and seconds from the Town Centre.

Prices from
Studio flat £50,000
One bedroom £70,000
Two bedroom £80,500

Magnificent three bedroom split-level Penthouse from £155,000

Showings open from 10am
Sales Office: 0202 687573
(or 01381 6699)



**Oxfordshire
Cotswolds**

Taynton. Burford 2 miles. A delightful village house meticulously rebuilt from the original and occupying a first class position. Big kitchen/dining room, large drawing room, boot room, cloakroom, 3 bedrooms, 2 bathrooms. Fitted to the highest standards. Guide price £248,000. Apply: 112 High Street, Burford OX8 4QJ. Telephone: (099382) 2661.

LONDON PROPERTY

Designed by Quinlan Terry



**CENTRAL LONDON HOUSES
FOR THOSE WHO APPRECIATE
THE FINER THINGS IN LIFE**

Tarrant Place is a unique cluster of new but distinctly classical houses designed by Quinlan Terry.

These beautiful Georgian houses are set in a quiet courtyard off Wyndham Place only minutes from Regent's Park. Through a splendid colonnaded archway crowned by a Venetian window, you enter a haven of tranquillity. Traditional building techniques and quality materials have been used to create eleven truly elegant properties that reflect the grandeur of Maylebone.

Underground parking is available by special arrangement and keypad operated security gates to the courtyard add their final comforting touch.

Tarrant Place is found by St Mary's Church, Wyndham Place, off Crawford Street, W1. The showhome is open Monday to Friday 12 noon - 7pm, Saturday and Sunday 12 noon - 5pm.

An illustrated brochure is also available through Lovell Homes London (0895) 622100 or Egerton Estate Agents (01) 584 7020.

Lovell Homes
We're different. We think.

Two bedroom houses from £350,000 Three bedroom houses from £475,000

TARRANT PLACE
CRAWFORD STREET, W1

Prices correct at time of going to press and exclusive of ground rent and service charge.

**WESTMINSTER
ON YOUR
DOORSTEP**

A new development of luxury one and two bedroom flats with only 50% now remaining. Situated close to Victoria Street and the Houses of Parliament within the Division Bell Area. Fully carpeted throughout, Entrance phones, Resident Caretaker, Fully fitted Kitchens, Garage/Parking space available for each flat with Electronic Security Gate. Excellent for business community and company use. New Crown Estate 99 year lease. Prices from £165,000 to £195,000. SHOW FLAT OPEN DAILY from 12 noon to 4 pm at 10 Abbey Orchard Street, 5-9 Old Pyle Street, Westminster, SW1.

CROWN ESTATE

CLUTTONS

127 Mount Street, London W1Y 5EA. Tel: 01-499 4155.

R. J. & D. E. FOLKES

CONVEYANCING £170

State/Professional/Foreign/Residential Property

Fee includes mortgage related work when we act for your lender.

21 Dovedale Avenue, London W7 1LL. Tel: 01-840 0083/3333

SOLICITORS EST 1918



DOUGLAS & GORDON

100 BELGRAVIA SW1

Newly and very well modernized FLATS which are mostly FURNISHED and equipped to an exceptionally high standard. They are quiet and ideally located off Elizabeth Street just South of Chelsea Square and near Sloane Square.

1-4 BEDROOMS, MARBLE BATHROOMS, COMBINATION REFRIGERATOR, EXCELLENT KITCHEN, BALCONY, full one bedroom size LOCKER GARAGE

Resident Porter, Video Entryphone

Long lets preferred. \$925-950 per week

01-730 0836

21 ALBERT STREET SW8 2QT

HYDE PARK

Newest flat with 125 year lease

Luxurious main entrance hall, High speed lift, Gas ch. Fully fitted carpets & brass fittings. American console, built with Deco tile to entrance, wood top, brand new tile, fully fitted with fixtures & appliances of an exceptionally high standard. Master bedroom, built in suite, fitted cupboards, wardrobes, 2nd bedrm, fitted cupboards wardrobes, 2nd bathroom. There is also additional storage space in the basement. £195,000 for quick sale. Also garage for sale £70,000. Please contact Sheila Lamb.

01 499 3057

HAMPSHIRE - Near WINCHESTER
(Waterloo under 1 hour)

Elegant wing of Grade 2* Queen Anne Country House in superb village setting overlooking Itchen Valley.

Stylish, well proportioned rooms - ideal for entertaining.

3 Reception rooms, 3 Bedrooms.

Private walled garden. Circa £285,000 Freehold

Paul Hellard & Company

6 St Thomas Street, Winchester SO23 9HE Tel: (0962) 842186

BARBER'S WHARF
POOLE WHARF DORSET

A rare opportunity to acquire a classically styled town house in the 'Old Town' of Poole.

- Formal Square Settings
- Maintenance Manager
- 4 Bedrooms
- 2 Shower Rooms
- Guest Bathroom
- 'RATIONAL' Kitchens

Prices from £210,000 Freehold
Telephone Douglas Browne (0202) 683084 for further information.

Showhome open 10.00am - 5.00pm Thursday to Monday.

Downland **PRUDENTIAL**

DAVIS BUILD

INVEST IN A LONDON SQUARE

High quality property in a delightful London square within 10-15 minutes of Westminster offering exceptionally high return on investment

| | |
|-------------------------------|--------------|
| RENT PER ANNUM | SALES OFFICE |
| 2 bed houses £135,000 £8,000 | 01-220 0835 |
| 3 bed houses £158,000 £13,000 | |
| 4 bed houses £194,000 £14,500 | |

SALISBURY SQUARE, LANGTON ROAD, OFF VASSALL ROAD, KENNINGTON SW9

A DEVELOPMENT BY DAVIS BUILD P66, BURGESS HOUSE, HIGH STREET, SEVENOAKS, KENT TN11 5LP. (0203) 450311

SMITH-WOOLLEY
CHARTERED SURVEYORS

SCOPE, NORFOLK
Dis 2 miles Mainline station for Liverpool Street

ATTRACTIVE LISTED COUNTRY HOUSE in an enviable setting

3 reception rooms, kitchen, utility rooms, 4 bedrooms, 3 bathrooms, various attic rooms, 3 bedroom cottage (let), Garage block, other outbuildings

Well maintained garden and grounds with large pond. ABOUT 7 ACRES. Offers in the region £400,000

Apply: Cambridge office (0223) 362588

HAMPTONS

DAIRY FARM RESTORATION
MELTON CONSTABLE HALL PARK NORFOLK

A fine complex of buildings, approached by a long private driveway and are being restored and converted into individual units, forming an entirely unique complex in an outstanding and historical location, set amidst mature woodland and undulating countryside. Eight units are now available and range from 2 bedrooms to 4/5 bedrooms. Prices start at £115,000 and further details are available from the agents on request.

Hamptons 44 Prince of Wales Road, Norwich. NRI 1LL. Tel: 0603 761478

PRUDENTIAL
Property Services

TOWERSIDE, WAPPING E1 £185,000
A splendid luxurious 3rd floor purpose built two bedroom apartment, with excellent views over the River Thames. Superb location, southerly aspect balcony. Double glazing, security entry system, private parking. DOUGLANDS OFFICE 01-534-4821

ELVASTON PLACE, SW7 £285,000
A bright and spacious two bedroom flat on the second floor of this period conversion located close to Hyde Park. Good condition, separate dining area. Leasehold 125 years. KENSINGTON OFFICE 01-857-7744

KENSINGTON CHURCH STREET, W8 £270,000
A spacious four bedroom flat in a popular mansion block close to Kensington High Street. Two reception rooms, three bathrooms, well equipped kitchen. Leasehold 123 years.

GLOUCESTER WALK, W8 £446,000
A stunning four bedroom flat in this prestigious mansion block with fabulous southerly views. Two reception rooms, 3 bathrooms, well equipped kitchen/breakfast room. Leasehold 98 years.

BELGRAVIA SW1 £395,000
Elegant 3 storey upper maisonette in excellent condition near Sloane Square. 3 bedrooms, 2 bathrooms, 2 reception rooms, kitchen and roof terrace. 50 year lease. MAYFAIR OFFICE 01-225-4513

WATERSIDE POINT SW11 £420,000 and £495,000
Two prestigious riverside flats adjoining Albert Bridge. 2/3 bedrooms, double reception, 2 bathrooms, cloakroom, underground parking, porter, fully fitted kitchen. 124 year lease. CHELSEA OFFICE 01-884-8211

CADOGAN SQUARE SW1 £285,000
Three bedroom maisonette on ground and lower ground floors. Reception, 2 bathrooms, kitchen, cloakroom, patio, use of Square gardens. Leasehold 87 years.

ONSLOW SQUARE SW7 £385,000
Well presented second floor flat with views over square. 4 bedrooms, 2 bathrooms, reception, kitchen/breakfast room, roof terrace. Leasehold 47 years.

SELL YOUR HOUSE

Through the Weekend FT Property Pages

To advertise your property in the Saturday property pages, simply complete the coupon below and return it to: Francis Phillips, Classified Sales Manager, Financial Times, Number One Southwark Bridge, London SE1 9HL.

Allow five words per line (minimum 3 lines) Cost: 5-15 words (£20.70) 20 words (£27.60) 25 words (£34.50) 30 words (£41.40) 35 words (£48.30) 40 words (£55.20) all rates include Vat. Advertisements over 40 words, rates are available on application, please attach copy separately. Lineage: £6.00 per line + Vat. Display: £27.50 per sec + Vat.

Please insert the following copy in the Weekend FT on Saturday 1989

I wish to pay by cheque, bank or made payable to Financial Times Limited.

I authorise you to debit from my Visa/Master/Access account (delete as applicable) the sum of £

Signature _____

Card expiry date _____

My card number is _____

Name _____

Address _____

Postcode _____

Daytime Tel No: _____

Weekend FT • Property Pages • 01-873 3000

Barton & Wyatt

WORPLESDON 3 miles A3 and GUILDFORD

A pair of former grain barns, dating from 19th century and totally reconstructed and converted in 1986 to a high specification. Many period features retained. Accommodation in both properties comprises entrance hall, three reception rooms, fitted kitchen/breakfast room, cloakroom, four bedrooms en-suite bathrooms/shower rooms, family bathroom, extensive garden, double garage to both properties (originally the tractor shed), rural style setting.

Further information and brochure from vendor sole agents
BARTON & WYATT, THE ESTATE OFFICE, VIRGINIA WATER,
SURREY GU25 4DL. TEL: 02924 287
PRICES - No. 1 ORLO £275,000 No. 2 ORLO £300,000.

DESIGN YOUR OWN HOME

We will find the land, provide all the necessary drawings + specifications, + build it for you. We are a Home Counties based company specialising in building executive homes from £500,000. If you are interested, please reply to Box T6730, Financial Times, One Southwark Bridge, London SE1 9HL

GLASGOW WEST END

Substantial stone built Victorian family home. Semi Villa comprising impressive hall and stairs, 3 reception rooms, 5 double bedrooms, 2 bathrooms, luxury kitchen, utility room and cloakroom. Gas central heating, garden and parking. Brochure on application.

Offers Over £225,000
SEAL Tel 041-357 2828

HOLIDAY INVESTMENT HOMES IN CORKWALL
From £35,950

Call on the Test Roll Over Relief with Total Management of UK Property Investments. Redefining the way of real estate available from under £50,000. Release of capital-income-securely and profitably. TO INVESTMENT OF MAXIMUM INVESTMENT Double from Double Loans Ltd, 80, Southwark Street, London, SE1 1UB. 0773 6667.

Worcestershire
A Detached Georgian Family Residence

Standing in about 1/2 acre tree ground, extensive 4th bedroom and 3 fire resp. Garages etc. 1/2 mile Kidderminster Town Centre and British Rail, only 1/2 mile West Midlands M54 Jct. OFFERS INVITED AROUND £223,000

REDUCTION CONSIDERED FOR QUICK SALE

PHIPPS & PRITCHARD, KIDDERMINSTER (052) 82244

COMMERCIAL

INVESTMENT OPPORTUNITIES IN FRANCE

Offices, warehouses, shopping centres, chateaux, hotels, vineyards, houses and apartments.

Northern France, Alps & Pyrenees.

Tithenham International Properties Tel: 051 727 4641 & 051 631 9995 Fax No. 051 236 6462

Castleford
SALISBURY WILTSHIRE

2.7 ACRE PRIME RESIDENTIAL DEVELOPMENT SITE

FREEHOLD FOR SALE BY TENDER

With the Benefit of OUTLINE PLANNING PERMISSION

Tender Date: WEDNESDAY 6TH DECEMBER 1989

Contact: Richard Shurland Guy Jessop

WOOLLEY & WALLIS

Telephone: 0722 21711

HAMPSHIRE - Lynton

An important recently restored GRADE II GEORGIAN TOWN HOUSE situated within walking distance of the High Street and Town Quay. 4 bedrooms, 2 reception, kitchen/breakfast room, 3 bathrooms, cellar. Garage block with 2 garages, store and loft, south-facing garden. Offers in excess of £450,000.

Let Town of Lynton, Somerset & Jurassic. Tel: (0994) 673625. Please contact: Stephen Montague-Jones

NORTHAMPTONSHIRE

Victorian buy 3 bed terrace. 45 miles London. Luxuriously renovated. 20ft oak kitchen, unique designed bathroom. 200ft enclosed garden with private personal entry, overlooking park. Superb offer £74,000

Tel (08012) 2701

SURREY HEATH NERTS Magnificent 6 bed, 3 bath, house unique design just completed to include Poggenpohl fit - Superb location. Ancombe and Ringland Tel 01-254 8717.

WEST NORFOLK Superb executive residence in almost 1/2 acre. Close to Sandringham Local amenities including Golf, Shooting and Riding. Full Gas CH, new sealed unit DVG Reception Hall, Office, 3 Reception Rooms, Superb Kitchen, Utility, Playroom, 4 Bedrooms, 2 Bathrooms, Double Garage. Lowly secluded garden with walled terrace. MUST BE VIEWED. Nov. 1989. Offers around £197,000.

NORFOLK NORWICH 7 MILES

Two exceptional properties close to Country Club

A unique single story conversion of red brick barn in attractive gardens finished to an excellent standard. Guide Price £185,000.

A spacious Victorian farmhouse totally modernised to the highest standard through. Guide Price £149,000.

Hamptons, Norwich (0603) 761478

KINGS LYNN 2 MILES. Large Jacobean house of great character & great potential standing in its own grounds. 4 large beds, bath, 2 fire sitting room, Age 18 & dining room, walk in pantry, office, store rm, C.H., large lawn, full lawn, walled garden, garage & workshop. O.I.R.O. £220,000 020-892022.

WORCESTERSHIRE - Evesham, Kingtonley. Severn Side Grade II Listed 17th Century property with attached self-contained and serviced 2 bed cottage. Dining hall 1 rec, dining kit, 3 beds, bath, Garage, Garden. Views to Cotswold Hills. OFFERS INVITED AROUND £270,000. ANDREW GRANT, WORCESTER (0803) 2477-Fax CHC

BLAIRMORE, Near Dunoon, Argyll Lochside detached Edwardian family home, 6 rooms, Bow W.C., modernised kitchen & bathroom, W.M. central heating & open fire, 3.5 acre garden, well landscaped entry £250,000 O.I.R.O. 020 994 462

PUBLISHING

A look at the books

THE BRITISH contingent to the Book Fair now taking place in Frankfurt is commanding more than its share of attention. The Fair, a hypermarket in which the world's book publishers ply their wares and enjoy a good gossip, has been festooned with the changed circumstances of three famous names: Livia Gollancz, Ian Chapman and Mark Collins.

ica which in translation means that, like any marriage, the parties cling to the yoke that they can achieve more together than they could separately.

Starting anew might seem wonderful but its very difficulty without a backlog. You need to be lucky rather than smart."

Linda Christmas talks to publishers who have been involved in recent takeovers or who have gone their own way

that an American company has taken over a British house. Although Houghton Mifflin decided it was cheaper to acquire a firm than to start anew, both Mark Collins and Ian Chapman took the opposite view.

Both Collins and Brown and Chapman's Publishers have been created as a result of Rupert Murdoch's take over of Collins, and well illustrate the theory that the growth of conglomerate publishing is responsible for thrusting creative talent into entrepreneurial needs.

The Chapman venture, which includes Majorie Chapman as Editor in Chief in equal partnership with Associated Newspapers and Taylor Clark, a leisure and property company, was greeted in the trade

by a few unkind cuts suggesting that 68 year old Chapman could have retired handsomely with the money he made from Murdoch buying his Collins shares, but most responded with admiration for anyone with the courage to start again.

Both Chapman and his wife Majorie, echoing David Replige, talk of wish to get back to the time honoured notion of nurturing writers and of the need to give editors

more books to handle and more time for involvement with authors from the presentation of the synopsis through to the publication of the first review.

The Chapman's, who will jointly choose authors for both non-fiction and fiction, are seeking books with "commercial elegance." They cited Scott Turow's Presumed Innocent as a fine example of a book deserving that description as well as Gorky Park, Ricks of Passage and anything by John Carré.

Chapman Publishing is also delighted to have been able to avoid the venture capital funding route, which Ian Chapman feels stresses short term gains and leads to buy-outs.



Livia Gollancz and Ian Chapman



embraced another hallmark of current thinking, vertical integration. The new company has a newspaper arm (Associated) and a TV and film production wing (Taylor Clark, makers of Pollock).

The fact that individuals and companies appear keen to get involved in publishing with its low margins and high risks defies simple analysis.

Collins and Brown, the other new house, obviously agree that books will survive, but what kind of books? Mark Collins believes that the generation brought up on television and other new technology making books obsolete has been proved wrong.

Among his first commissions are three books in conjunction with Greppence on the North-

Sea, the Mediterranean and the Baltic as well as books reflecting our increased leisure and affluence.

Increased influence first showed in the growth of books about cookery and then gardening, now it is spreading to the home with much interest emerging in the decorative arts.

Mark Collins' partner is Cameron Brown, merchant banker and founder of the financial services group Abaco Investments, who felt the time had come to move out of the City where endless talk about money had begun to pall.

It is very attractive to be among people who have a different approach to life, different aspirations and the joy for me is that one day I'm going to be able to carry home a product, a book, and say that I helped to make it.

Against the barbarians

IN THE age of the 30 word paragraph the literary magazine is an anachronism, a proud and aristocratic bulwark against the barbarian hordes of slender thoughts and even slenderer syntaxes.

It was born, in a litter of three, at a time when the Times Literary Supplement had been knocked out of action along with the rest of the Times publications in the industrial fisticuffs of the late 1970s.

Within a couple of months, the staid literary magazine market found itself with three new titles: besides the LRB, there were Literary Review and Quarto.

LRB's most visible face is that of Karl Miller, a university professor and former editor of The Listener, who was approached by the New York Review to put together the magazine and who mustered a formidable team of critics.

His co-editor Mary-Kay Wilmers puts the paper's success down to its placing somewhere between the Spectator and the TLS. "If you're not the official voice you can be more daring and more enjoyable to read."

greater length than in other outlets. LRB pieces run to some 3,000 words. If the LRB makes a resolute stand against the literary straight-jacketing of the TLS, it also prides itself on avoiding the chiquishness of the national newspaper review pages.



But it would be naive to think that the fortunes of any publication relies entirely on editorial integrity. Literary Review's founder Ann Smith learned the importance of financial backing the hard way when her ideal of creating a literary magazine for the reader on the street were eclipsed by tough economic realities.

The ensuing legal battle with Attallah was finally settled out of court this year. He continues to pour money into a publication which, under the editorship of Anthony Wagh, has a readership of around 14,000, while Smith licks her wounds in Scotland.

Behind the success of the London Review of Books lies a dynamic business department, which has just been recognised with a £53,000 incentive award from the Arts Council.

fortunate to have the money to push our ideas through, but in fact it's almost the sine qua non of magazines today that you can't launch without a lot of up-front investment.

With a circulation that fluctuates between 15,000 and 16,000 - 80 per cent of it in subscriptions - the LRB has pumped money into promotion.

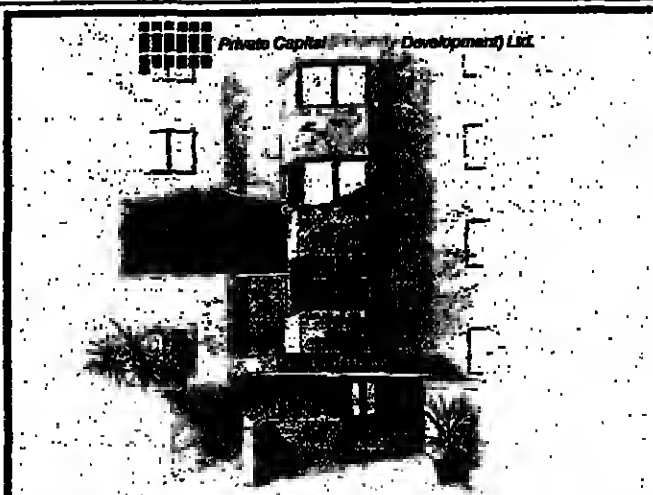
The question of access is a notoriously tricky one: how, for instance, does the literary magazine gain access to the British beyond London and the University library, and to what extent is it realistic to look to international sales?

While the reader-profile of the Literary Review might seem light years from that of the sober TLS, all three publications share a belief in books and the culture of the people who read them.

"The tendency nowadays is for more opinions and shorter sentences so people say in a few words what should be said in a paragraph. They forget it's not the opinion that's interesting, but the process of arriving at it."

Claire Armistead

Prime apartments in some of London's best new developments - For Sale on long leases



MARLOWE COURT A selection of 13 apartments with underground parking. This modern purpose built block is located beside Chelsea Green, close to both Knightsbridge & the Kings Road, with excellent public transport from both Stone Square & South Kensington.

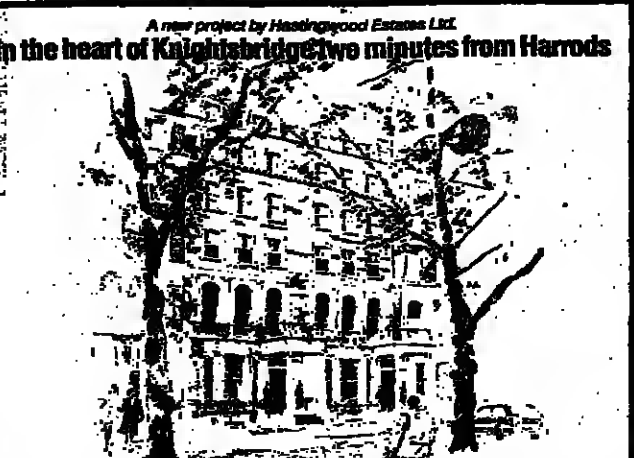
Fully furnished Show Flats are open for inspection by appointment Vendors Sole Agents

W.A. ELLIS ESTATE AGENTS AND SURVEYORS ESTABLISHED 1868 174 Brimpton Road, London, SW3 1HP Telephone: 01-581 7654 Fax: 01-589 3336



10-12 ANSTON SQUARE LONDON W1 4 particularly good flats and 2 spectacular penthouses each 3 or 4 bedrooms and magnificent entertaining rooms - from 2240 sq. ft. to 3560 sq. ft. - priced from £275,000. Also 2 smaller flats (2 bedrooms) from £265,000 - and garaging.

All the buildings provide passenger lifts and high standards of attendance and security. The apartments are particularly well fitted and equipped.



39-40 BEAUFORT GARDENS LONDON SW3 14 new apartments of very high quality, with access to luxury hotel standard services - Studio flats from £120,000 1 Bedroom flats from £175,000 2 Bedroom flats from £315,000 3 Bedroom flats from £345,000 (Many with Balcony or Patio)

Advertisement for First Street Chelsea, featuring a large image of the building and text: Six newly refurbished houses are offered for sale in this superb location on the borders of Knightsbridge and Chelsea and close to Harrods. The showhouse is open on weekdays between 12.00 noon and 7.00pm, on Saturdays between 10.00am and 4.00pm, and on Sundays between 12.00 noon and 4.00pm. Sole agents: GLUTTONS 117/119 Fulham Road London SW3 6RL Tel: 01-589 8132 01-589 1122

Real estate listings for various properties in London, including: MENS HOUSE, CITY OF LONDON, EC2; CITY OF LONDON, EC4; KINGSTON HOUSE ESTATE, SW7; GREEN STREET, MAYFAIR, W1; CRESHAM STREET, BELGRAVIA SW1; DEBENHAM TEWSON RESIDENTIAL

How to avoid feeling car sick.

(Read this before you buy a £20,000 luxury saloon.)

If you are about to buy a £20,000 car, you should first read an article which appeared in July's Performance Car Magazine.

It set out to discover what real people thought of the cars on offer and it found that when offered say £20,000 to buy a company car, most people have already made their minds up on what they want, and "BMW are perceived to be the user/chooser executive choice."

BMW themselves admit that over half of the people who buy their cars do not take a test drive beforehand. The magazine's own research suggests the figure to be nearer 75%.

So 48 people who might be in the market

drivers putting it first and the two that didn't putting it second."

Comments were all equally effusive. "At last, a real car. I want one now..."

| | |
|------|----------------------|
| 1. | Alfa Romeo 164 Lusso |
| - 2. | Saab 9000 CD turbo |
| - 2. | Ford Sierra Cosworth |
| 4. | BMW 525i SE |
| 5. | Audi 90 Quattro |
| 6. | Rover Vitesse |
| 7. | Jaguar XJ6 2.9 |
| 8. | Honda Legend |

No one talked about the Alfa's image. "They liked it as a car, not as a dinner party

Cosworth divided the testers between those who were enthusiastic about the engine and those who were put off by the badge.

"It's still a plastic Ford Sierra," said one.

"When driven in the wet, it serves as a constant and noisy reminder of one's own mortality," summed up another.

No one was wildly enthusiastic about the Audi 90 Quattro's engine, with one person saying it needs more guts.

Sadly, the Honda Legend suffered most. One tester said "it was like being in an old people's home," and "it should have stayed in Japan," while someone else said he'd "rather have a moped."

The magazine concluded that people's image of a car was often very different from the reality.

"People had conspicuously high hopes of the Audi (thanks to rallying), of the Honda (thanks to Formula One), and of the BMW (thanks to all sorts of things); but, at the end of the day, each of those products failed to live up to the picture the imagination had painted."

The Alfa Romeo 164 was judged and won largely on technical merit. (Hardly surprising, when you consider it offers ABS, air conditioning, a compact disc player and a 3-year unlimited mileage warranty for under £22,000.)

"This would be very good news..." observed Performance Car "... If only (Alfa Romeo) could get people to take test drives before making a decision." The moral of the story is obvious.

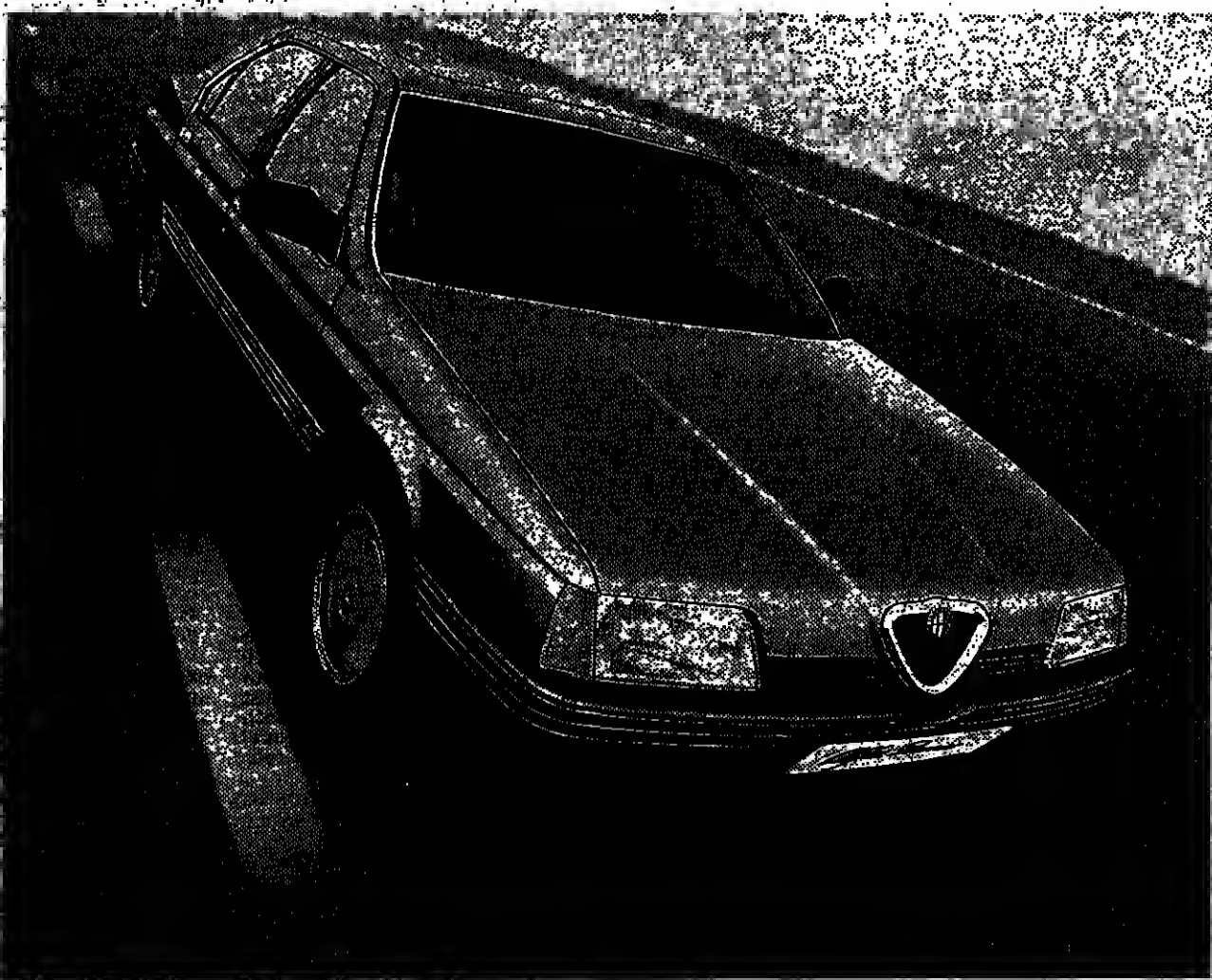
A little research into what your money can buy should prevent any car sickness in the future. Especially if you include in your test drive the new Alfa Romeo 164 automatic, a car which has also prompted rave reviews from motoring journalists.

For instance, the Mail on Sunday claimed that "the four-speed automatic is... one of the sweetest I have tested." While the Sunday Express found it to be "a joy to use under all conditions."

The most poetic reaction however, came from the Financial Times: "From a standstill to whatever speed one's conscience allowed, the automatic 164's power flowed as smoothly as double cream pouring on to strawberries."

For more information, complete the coupon and send it to Alfa Romeo (GB) Limited, FREEPOST, Ponton Close, Dover, Kent CT17 0HP, or phone (0304) 203396 (24 hours).

Mr, Mrs, Miss, etc. Initial Surname _____
 Address _____
 Town, City _____
 County _____ FT 21/10/89/164
 Tel. No. _____ Postal Code _____
 Year of reg. _____ Present Car Tick box for test drive.



for a £20,000 saloon, were asked to place eight cars in order of preference and this was the result:

| | |
|----|----------------------|
| 1. | BMW 525i SE |
| 2. | Saab 9000 CD turbo |
| 3. | Audi 90 Quattro |
| 4. | Honda Legend |
| 5. | Alfa Romeo 164 Lusso |
| 6. | Ford Sierra Cosworth |
| 7. | Jaguar XJ6 2.9 |
| 8. | Rover Vitesse |

Nearly everyone put the BMW at the top of the list, in the same way that all but one put the Rover at the bottom.

Then came the acid test: A cross section of these people were then given all eight cars to test drive over a mixture of roads in one day.

Aged between 32 and 38, they were exactly the sort of people that manufacturers of this type of car desperately want to woo: an architect, a stockbroker, a property developer, a company director. In short, they were not the sort of people who minced words, and after the test, they were asked to re-assess their earlier list.

The results were very different. As the magazine said, "this wasn't just a victory for the Alfa, it was a walkover - with six of the eight

conversation piece." One person picked up on the engine's "intoxicating noise," while another simply called it "gorgeous."

(The 164's 3.0 litre V6 engine reaches 0-60 in 7.5 seconds and has a top speed of 143mph.)

Even the magazine thought the Alfa Romeo had the best engine and "subjectively, it just pips the BMW in the beauty stakes."

As far as the testers were concerned, the BMW was pipped into fourth place.

"Time and time again, the chaps climbed out of it saying it had done nothing to tickle their erogenous zones. Where they were expecting pizzazz, they were given humdrum. Where they were expecting excitement, they were given competence."

Feelings were summed up by the person who said, "Quite obviously a superb car in every way, except for two things. It needs more power and it is utterly boring."

All of the other cars received equally severe criticism. One person, climbing out of the Jaguar simply said "Well that's just a waste of a walnut tree."

The Rover, people thought, would "go down a bomb in Eastbourne," while the Ford Sierra

The Alfa Romeo 164 3.0 V6 is £18,990 and 3.0 V6 Lusso is £21,395 including Car Tax and VAT. Delivery and number plates are extra. Prices correct at time of going to press. All Alfa Romeos now run on unleaded fuel.

BOOKS

Peter Pan, the hero of Mafeking

J.D.F. Jones on a biography of a national hero who founded the Scout Movement

APPARENTLY Cecil B. de Mille once planned a film of the life of Baden-Powell in which the title role would be played by David Niven. The casting suggests that Hollywood accepted the image that Tim Jeal resurrects in his new biography...

BADEN-POWELL by Tim Jeal Hutchinson £18.95, 670 pages

their careers ruthlessly, not to say selfishly, and her dominance lasted until her death as she held them at home, looked to them to finance her social pretensions and opposed any idea of marriage.

other ranks. And he was always fascinated by the grislier details of executions.

Of course, Mafeking made him. It was a side-show to the Boer War, yes, but there is no need to deny the flair with which B-P organised the defence of this obscure dorp on the outer edge of the Transvaal.

This biography is really two books in one, with the tale of the dividing Before and After he invented scouting. The former makes rather better reading unless you are interested in the detail of the development of the movement.



Baden-Powell: fun and games and outside camaraderie.

believed that "girlies" was the measles, that sexual attraction (to women) was dirty, that a wife was a chum who had the sole advantage that she supplied you with your children.

These matters are relevant. Scouting offered a safe haven for boys from adult life, and that also turned out to mean a refuge from women. This died in with all manner of late-Victorian and high-Imperial insecurities.

Movement which brilliantly reconciled the desire to conform with the need to escape - and here the personality (and the biography) are inseparable from the institution.

The gen on Germany

If it moves, it's been interviewed. Julian Bullard reviews a timely book on a divided nation

WHEN CHIEDED by Germans about "un-European" attitudes in the British media, or about the small space given to German events, I used to point to the Frankfurt edition of the Financial Times.

The first winner was Peter Bruce, the second David Marsh. Marsh has now crystallised his experiences of the Federal Republic of Germany into a subtle, elegant, revealing and very comprehensive book.

Packaged together with the current facts and figures comes a parallel stream of helpful reminders: that Germany's iron and steel production, and its railway system, were each about 60 per cent larger than Britain's in 1910.

This treatment, a mixture of encyclopaedia and snapshot, is applied with great success in a series of set-piece chapters on aspects of the West German scene: politics, the media, the Greens, the Jews, the Allies, the arms industry, etc.

Not the least enjoyable of Marsh's vignettes of German life are the glimpses of the man who gave Angela Merkel her name: 1988, now carries heavier responsibilities than any of his predecessors.

Marsh's chapters on relations between the two German states cannot have been easy to write, with the German Democratic Republic in an accelerating and perhaps terminal decline.

Marsh himself believes that "the forces drawing the German states together across the Berlin Wall are growing stronger, and in his final chapter he calls upon Western powers to look south enough but take a little time to come true, like Marsh's references to Boris Becker's fading performance.

THE GERMANS - RICH, BOTHERED AND DIVIDED by David Marsh Century £16.95, 364 pages

OCTOBER NON FICTION

CLAP HANDS FOR THE SINGING MOLE CATCHER Scenes from a Scottish Childhood Roderick Grant

HOW TO BE A WELL PAID WRITER A manual, a folio and a booklet combine to tell you not how to make your writing pay but what to write and when to sell it. Wray helpful information.

THE LLOYD'S REPORT How to earn a substantial offshore income by underwriting insurance. Dr W G Hill

THE CHANNEL ISLAND REPORT How to establish a tax haven domicile for £50 per month. Dr W G Hill

THE CAMPIONE REPORT Switzerland's secret semi-tropical tax haven. Dr W G Hill

ALLIED DUNBAR FINANCIAL GUIDANCE Allied Dunbar money guides are clear, comprehensive and easily understood. The Allied Dunbar Tax Guide 1989-90 is now available.

THE PASSPORT REPORT How to legally obtain a second foreign passport. Dr W G Hill

DTI QA REGISTER For all suppliers and buyers everywhere who strive to compete effectively in today's markets and meet the demand for quality. The Register on quality assessed companies has been completely redesigned and forms two volumes.

DEALING ROOMS 1990 "User friendly and easy to read" Communicate

THE FITZBURGH DIRECTORY OF INDEPENDENT HOSPITALS & PROVIDENT ASSOCIATIONS FINANCIAL INFORMATION Fourth edition 1989/90

THE MONACO REPORT Monaco as your tax haven - a practical guide. Dr W G Hill

THE LIFE AND WORK OF HARRY CLARKE Nicola Gordon Bowe

EXAMINATION SUCCESS David Bawa provides a unique guide to the essential reading for all candidates and more. Acquiring over 20 years of examination experience, from motivation to technique, candidates' views on essential skills, and from testing to exam technique, readers build their own platform from success - success in any examinable activity from A levels to professional qualifications.

RUNNING WATER Charles Ebel

The Financial Times intends to publish a BUSINESS BOOKS report on 18th November.

For further details contact: CATRIONA JAMIESON on 01-407 5758

Both hitlers and deeply moving in its splendid account of the writer's boyhood on a remote country estate in the 1940s.

Offers a comprehensive overview of the systems available and an expert analysis of the latest accounting developments.

How does one get the coveted resident's card and work permit? What financial advantages can you enjoy? Detailed information on banking, taxes, currency controls, apartments and much more.

Stained glass, Symbolism, Deceit, Celtic mysticism, the Ballerina Runes all claim a place in the definition of Clarke (1852-1931) the first substantial study.

Particularly relevant to the design manager, this practical guide has been extended and revised covering the 1988 Copyright, Design and Patents Act.

Running Water is the new definitive guide to the history, sources, uses, responsibilities and potential of the water industry.

Life in Egypt. Some 40,000 to 50,000 Jews left the country after the Suez war, "either of their own accord or by force."

THE JEWS IN MODERN EGYPT, 1914-1952 by Gudrun Krämer

Exodus from Egypt

BETWEEN THE two world wars the Jewish community in Egypt numbered between 70,000 and 80,000. To-day it is two or three hundred.

THE JEWS IN MODERN EGYPT, 1914-1952 by Gudrun Krämer I.B. Tauris £24.95, 319 pages

EGYPT'S BELLE EPOQUE: CAIRO 1869-1952 by Trevor Mostyn Quartet Books £15.95, 202 pages

Dear diary, I'm desolate

DEAR DIARY, I am so unhappy. Dear Diary, I am so bored. Since people tend to resort to their diaries in one or other of these moods, what we read in a diary can all too often be a fallacious guide to a life.

JOURNALS 1939-1977 by Keith Vaughan John Murray £17.95, 277 pages

Dear diary, I'm desolate. Dear diary, I'm desolate. Dear diary, I'm desolate.

Mountbatten day to day

FROM SHORE TO SHORE: THE FINAL YEARS THE DIARIES OF EARL MOUNTBATTEN OF BURMA, 1953-1979 edited by Philip Ziegler Collins £18.00, 702 pages

TEMPERAMENT was such that only short-term melancholy was permitted to cloud his life. India figures at considerable length. He made many visits there between 1958 and 1979, the last but one in February 1975 with Prince Charles.

Dear diary, I'm desolate. Dear diary, I'm desolate. Dear diary, I'm desolate.

Dear diary, I'm desolate

DEAR DIARY, I am so unhappy. Dear Diary, I am so bored. Since people tend to resort to their diaries in one or other of these moods, what we read in a diary can all too often be a fallacious guide to a life.

Dear diary, I'm desolate. Dear diary, I'm desolate. Dear diary, I'm desolate.

Dear diary, I'm desolate. Dear diary, I'm desolate. Dear diary, I'm desolate.

Dear diary, I'm desolate

DEAR DIARY, I am so unhappy. Dear Diary, I am so bored. Since people tend to resort to their diaries in one or other of these moods, what we read in a diary can all too often be a fallacious guide to a life.

Dear diary, I'm desolate. Dear diary, I'm desolate. Dear diary, I'm desolate.

Dear diary, I'm desolate. Dear diary, I'm desolate. Dear diary, I'm desolate.

ANTHONY SAMPSON THE MIDAS TOUCH MONEY, PEOPLE AND POWER FROM WEST TO EAST His fascinating and revealing study on money - why people want it, how they use it, and what impact it has on them and their society. £15.99 fully illustrated. BBC Hodder & Stoughton Publishers

BOOKS



Sybille Bedford James Keiman Kazuo Ishiguro John Banville Rose Tremain Margaret Atwood

What an avid lot of novel readers you are

Literary Editor Anthony Curtis reports on the FT Booker prize competition including the winning entry and extracts from the runners up

Sybil Bedford's 'The Book of Evidence' (which reminded me not a little of Camus's 'The Outsider') was widely described by D.K. Richardson: 'Freddie Montgomery has killed a girl. This novel is his recalling, written in prison as he awaits trial, of the events that led up to the crime. Montgomery was a mathematician with an educated precise manner of speaking. Banville plays on the fact that Freddie just drifted into his evil act by the use of the choicest of phrases. Freddie Montgomery is cleverly brought to life as, on the one hand, a psychopath but on the other, a rational, if amoral, intellectual.'

Booker Prize

The FT Readers' choice table listing books and their percentages: Cat's Eye (31 per cent), The Remains of the Day (29 per cent), The Book of Evidence (12 per cent), A Disaffection (10 per cent), Jigsaw (9 per cent), Restoration (9 per cent).

With Sybille Bedford we are back to the Self, to indeed the novel's own self as she recalls her remarkable childhood straddled between Berlin, London and Sanary. Penelope Bennett waxed lyrical about the book: 'It is witty - hilarious at times; not often does one laugh aloud when reading. The writer is sure-footed; one trusts and wants to follow. Often it is almost unbearably moving... yet Sybille Bedford and Self pity seem unacquainted with each other. It is a generous book - a book which celebrates life.'

Lost in a labyrinth

Erik de Mauny is left with the spectacle of great erudition swallowing its own tale

SOME READERS of this novel may not be all that familiar with the work of Foucault and Umberto Eco does little, except obliquely, to enlighten them. Jean Bernard Léon Foucault (1819-1868) was an eminent scientist and natural philosopher who, in 1851, demonstrated the rotation of the earth by the oscillation of a large pendulum suspended from the dome of the Pantheon in Paris. The pendulum attracted large crowds at the time, and is now housed in the Conservatoire des Arts et Métiers. Eco refers to these facts in a mysterious opening section, but the connection between the pendulum and other phenomena in this labyrinthine narrative is never made clear.



Umberto Eco: useful to know the Hebrew alphabet

in which such structures as the Great Pyramid of Cheops, Mount Athos and the Eiffel Tower are all linked in an intricate web of telluric currents. It would all be highly subversive if one could take it seriously, but of course, one can't. Umberto Eco has drawn on a vast store of esoteric learning, as he did in 'The Name of the Rose' merely to perpetrate a gigantic hoax, although the title of this novel, by being confined to the 14th century, did attain a certain cohesion. Foucault's Pendulum on the other hand,

A cluttered study

An impeccable theory for exploring the English novel is close to falling apart, says Gillian Tindall

IN THE quotation from Henry James which supplies Peter Keating's arresting title, the 'haunted study' is contrasted with the 'phantasmagoric town.' This town may be supposed to have formed much of the background to Professor Keating's celebrated earlier work, 'The Working Classes in Victorian Fiction', but what haunts the study of the more fastidious novelist is less clear, both in James's remark and in Keating's bugle bugle.

Verse with prose virtues from a poet who loves language

Quite different Selected Poems. One would reveal a young cousin of the Movement, disabled by solemn irony and a moralising humblity, heavy with debts to MacNeice, Auden and, most notably, to Larkin and, in a higher way, to Pound. He is fascinated with ingeniously elaborated conceits.

POEMS 1953-1983 by Anthony Thwaite

When he settles back into his native English landscapes, he loses his distinctive colouring and becomes just to what was thought, 'certainly. We live here, and the news he brings us has been conveyed more bleakly and dynamically by others. There is an elegance which aestheticises extreme experience - 'the casual antic' for example - which he cherishes not to laugh at his literary satires, which are funny today (although with the next generation they will become opaque).

Crime

is meant to star. Actually, she is investigating - and putting back together - her own life too. The book has a welcome vein of tart humour (the theatrical end film ambience is economically and pungently drawn), to offset the effective atmosphere of brooding menace.

DIVERSIONS

Gardening

Seedy tale of summer
Chickweed has defeated the bravest endeavours of Robin Lane Fox and earned his respect

THE DRY weather has not had many compensations, but one of them is the scope for seeds. This weekend, I'll be taking advantage of it in two directions, collecting in order to save and sowing in order to gamble. The savings ought to work, but the gamble, as usual, is a long shot.

In a dry summer, seeds ripen properly and plants appear to be in a frantic hurry to set them, scatter them and die back. This year, I have acquired a sneaking respect for common chickweed. It needs less than a week from its first hint of a flower bud to the final fluff of the seed head and for three months, we have been waging continuous war. The more I hoe it, the quicker it is to sprout nearby, grow a few inches high in a dry spell and begin to set seed before I catch it. It has won several rounds, against all odds. If only phloxes were so prolific.



flowering gilliamia in 1981. You can, of course, raid friendly gardens with a pack of brown envelopes and not seem to do much harm to their owners. It was on just such a raid that I first bagged the tall, almost-hardy Verbena bonariensis which has been one of the star turns of the summer. Down in the National Trust garden of Tintinhull, its bare stems and heads of violet-blue flowers were one of the supreme sights of this dry August. It is a marvellous plant for placing at intervals in the front row of borders where it will grow quite tall, break up the ground-lina and flower until the frost. Although it reaches four feet, it needs very little room and will come up through other neighbours. A

This year, there have been seed-heads on monkey puzzle trees, masses of seed on trees of the desirable Acer griseum, seeds on our pocket handkerchief tree and so many seeds on drought-loving plants that the stock of them ought to see us all through next year. This weekend, I suggest that you take a few brown envelopes and check late flowering plants for a dry, ripe harvest. Shake the seed into the envelope, seal it and keep it in a cool place; remember that the seed of delphiniums should be kept in a compartment in the fridge until you sow it in February, a discovery which has transformed my success rate with this awkward germinator. The seed is ripe (usually) if it is firm, dark and ready to shake free of its seed-head. There is still a marvellous haul to be had on hardy agapanthus: salvia rattling with their crop and if you are a grower and lover of the white-flowered Gilliamia, its seed is your best bet. It is multiplying it quickly and cheaply. I love this June-flowering plant because it is delicate and unfussy; about two feet high, it does not need damp, as most of the books say, but it is quite happy in semi shade.

Just now it is turning a brilliant red, the finest finale which I ever remember. It has to be divided, but my plants are packed with fine brown seed which germinates like cross if sown next spring. You will then have dozens of

few seedsmen still list it, but it is packed with seed this week, ready for the brown envelope trick from which it can be raised by the hundred. Salvia are also an essential stop: if you have friends with the biennial Salvia turkestanica, trouble them for a quick shake-out into an envelope as this essential border-plant is beginning to be sold in pots only, priced at up to £2 each. Too few seed-lists have kept it, but it germinates madly from any sowing and will grow on to flower late next year if you sow it immediately in a box under cover. It is the form with pale purple bracts of flowers and the pungent smell of a crowd in a very humid summer. One of its great supporters told me recently that she had always nicknamed it Hot Housemaid.

So much for the collecting, you can take your pick, not forgetting the trees. The sowing is based on hunch. We need to have six inches extra rain in order to bring our local water levels back into line and I suspect that we'll have them in a mild, wet run-up to Christmas. Mildews will continue to

have a field-day; everything will germinate and we will all be hoeing weeds until the New Year. There ought then, to be time to act on the advice which writers keep alive and most gardeners ignore: sow some hardy annuals outdoors now in the hope that they will survive through the winter and be ready to flower in late spring. Ideally, they should have gone in about a month ago but as it has hardly rained since, they will not be any the poorer, at least if my weather forecast is right. I am particularly willing to risk them because I saw such results from the idea last season. In a Buckinghamshire front garden, the owners had Love-a-Mist in flower in April among red flax, a charming profusion of scented mignonette and enough pot marigolds to please their enthusiasts. The winter had been lean for them, but once you have seen summer annuals among the daffodils, they tantalise you like strawberries at Christmas: you want them too.

Actually, some of mine are already perpetuating themselves. Most hated the dry summer and flowered too early at a dedicated height, they are now sprouting all over the place, having left their seedlings in the soil. I have a great sweep of the splendid small nemophila maculata (from Thompson & Morgan) which has self-seeded itself everywhere for the second year running: it is up to you to keep their stock going by trying this small annual, as I now have it without needing to buy any more.

On the Buckinghamshire model, I intend to add mignonette, some night-scented stocks, the robust blue-flowered echium, some godetia in separate colours (not carmine) because they would look so startling among the tulips. Usual rules apply: make a shallow trench, sow the seed on the back of a rake-head on to the soil, sow into the drill directly from the packet, rake the soil lightly over the seed and press down gently with the rake. At some point, nature will make amends and water what you sow. If you're right, there will be no real frost before the seedlings are up and prepared for a modest winter. You could then have summer flowers with the spring bedding plants, a crazy prospect which will carry memories of this mad season into next year.

It's all go at Gateshead

THE FOURTH British garden festival will open at Gateshead next May 18 and close on October 21. These two-yearly events started in 1984 with the international festival at Liverpool; and while those that followed have been on a national rather than an international footing, that is largely a technical matter concerning the way the exhibits are judged and tells little about the scale of the exhibition, the number of visitors, or where they come from. In fact, each festival has learnt from its predecessor. Glasgow in 1988 was the first to attract more than 4m visitors and Gateshead now is certainly further advanced and more impressive in planting than were any of its predecessors six months before opening date.

Festivals of this kind, rather like gigantic flower shows but continuing for several months and usually leaving behind some permanent addition to the environment, started in Europe shortly after the war but Britain was slow to take up the idea. When it did, spurred in the early this decade by the efforts of former Cabinet minister Michael Heseltine to re-vitalise decaying cities, improvement of sites was paramount and they were always chosen where they were thoroughly derelict.

Gateshead rivals any of its predecessors in this respect but has some peculiar difficulties of its own. Not only had the site been occupied by long-disused industrial units including gas, tar and coke works and railway sidings but its two areas, each of about 100 acres, were separated completely by a major road connecting Gateshead with Newcastle. This has been bridged and the total length of the site is now 1.5 miles.

All this posed great problems in moving people. There could be a danger of those entering by river at the north end staying in that area and those coming from the Tyne valley to the south remaining in theirs, since each 100 acres will be packed with interest. For those who buy season tickets that might not be a bad thing, since they could vary their entrance point according to their convenience. But, of course, most people are likely to visit for a single day and enormous ingenuity is being used to get them from one end of the show to the other (and all around it).

There will be five miles of overhead monorail track carrying slow-moving trains disguised as caterpillars (the logo of the Gateshead festival is the intently signifying colour, brilliance and movement) which will wind their way in and out of the exhibits sufficiently high up to command a panoramic view.

There will also be a miniature railway and some genuine antique trams renovated for the occasion by the National Tram Museum at Crich, Derbyshire. And there will be a railway called a People Mover, the sole purpose of which will be to transport tired visitors back to the car parks at either end of the exhibition.

Visitors will be tempted across the bridge linking the exhibition areas by creating the illusion that they are journeying from London to the Ori-

ent or vice-versa. On the way they will pass Big Ben, the Eiffel Tower, the Leaning Tower of Pisa and other well known landmarks, and will be entertained by musicians and other performers representing the countries through which they are passing.

More seriously, there is to be a strong educational element in this exhibition: a working farm; an open-work coal mine converted into a wetland complete with all the appropriate native plants; an international exhibition of contemporary art which will make full use of the great variety of settings available; and a vast space-ship into which visitors will enter, visit various planets and galaxies, and emerge as fully integrated inhabitants of the universe. Well, something like that.

The river Tyne flows through much of the site and full use has been made of it as a landscape feature. Eighteen dwelling houses are being built as a feature of the exhibition and there is a firm undertaking to build 396 more when the exhibition ends and offer all for sale. There is also a commitment to build flats and sheltered accommodation on the riverside site, and these will be for renting.

In fact, this is the first garden festival to secure commitment for long-term developments covering the whole site, and to sell off all its land for after-use well before the show actually opens.

It has also done well with advance ticket sales. About 18,000 seasons have been bought already at £30 each - and also, in some ways, the saddest - structure at Gateshead is the great wooden jetty, the Coal Sheds, which curls out into the Tyne. It was built a century ago after the river had been dredged so that big ships could come up to load coal. Now, that trade is finished and the great chutes which delivered the coal into the ships are idle.

During the festival it will make a magnificent viewing platform for various river events, and the large basin it encloses will also be used for aquatic sports. It was told that a 100-year-old maths book had worked on the maths most of his life would be coming to see what had happened. I wonder what he will make of it.

Despatches: Dadu

The snatch and grab merchants

Christina Lamb meets the bandits in Pakistan's most crime-ridden area



Hoth Chandio... "everyone's watching what happens to me"

KARO MACHI, a self-proclaimed robber-baron, slipped tea from a china cup as he explained: "The advantage with abducting people is that they understand the threat. We were deep in the forest of Dadu, Pakistan's most crime-ridden area. Surrounded by a retinue of servants and members of his 15-strong gang, all carrying menacing weapons mis-directed from the war in Afghanistan, Machi - or "Black," as he is known - added: "If you point a gun at a buffalo, he doesn't appreciate that it is the latest Maserati that can shatter his skull within milli-seconds. He doesn't have a family to worry about. It's really quite frustrating. But with people, you can see all these factors running through their minds. They get scared... and we get rich."

Simple, really. This is why the dacoits - bandits who infest the forests of rural Sindh in southern Pakistan - have given up their centuries-old cattle-rustling and gone in for people-snatching. So much so that Nasim Mirza, head of ICI Pakistan, describes dacoity as the country's biggest growth industry. And it is profitable. According to Hoth Chandio, a well-known dacoit, members of the 40 gangs terrorising the highways of Sindh can reckon on earning a minimum of Rs200,000 (about \$8,000) a year (compared with a national average of around \$250).

It has its risks, though. Recently, three of Black's men were killed - or "neutralised," as Pakistan's authorities prefer to describe it - although they took three police with them. Hoth is now in a village where he is treated like a lord, having surrendered because he had enough of "living like an animal." His colleagues continue to roam between mountains and forests on the banks of the river Indus, never in one place for more than two days.

Most of Black's men say they were forced into dacoity by a combination of the feudal system, unemployment, and a diminishing of living from the unforgiving land through which salinity is creeping like a white plague and which needs yearly rain to grow crops in the sub-soil. They have little chance of breaking out of the feudal stranglehold. There are no jobs; one in four children dies before reaching five; the average family has 10 members, and education hardly exists.

All local politicians are ameeris (feudal lords) who talk of free universal education in drawing-rooms in the capital but prevent it in their own areas, knowing it will loosen their grip. At present, they can count on a bloc vote from their tenants who, in Pakistan's centralised system, rely totally on the ameeris for official dealings as well as making a living.

Naik's story is typical. "I was a peasant, a tenant farmer. We worked a strip of land for which we got a small share of the crop. It was barely enough to live on. There were eight children and my mother needed medicine. One day, another family tried to encroach on our land. They were from the same tribe as the landlord, so he got involved and had me implicated in a

murder case. We could do nothing - the police are an instrument of the landlord. When I was released after five years, I could get no work. I had no choice but to become a dacoit."

Others, like Bakar, became dacoits after the landlord tried to force them to commit crimes against political enemies and be part of his private army. "I was in my first year at college but my family was totally dependent on the ameeris - in the past 10 years, they've new ones keep coming. According to the police chief in Larkana, the youngest town of Prime Minister Benazir Bhutto (who herself has had two servants abducted): "If we capture five, another five will come up."

When dacoits first progressed from stealing animals to abducting people, they restricted themselves to highway

murder case. We could do nothing - the police are an instrument of the landlord. When I was released after five years, I could get no work. I had no choice but to become a dacoit."

Others, like Bakar, became dacoits after the landlord tried to force them to commit crimes against political enemies and be part of his private army. "I was in my first year at college but my family was totally dependent on the ameeris - in the past 10 years, they've new ones keep coming. According to the police chief in Larkana, the youngest town of Prime Minister Benazir Bhutto (who herself has had two servants abducted): "If we capture five, another five will come up."

When dacoits first progressed from stealing animals to abducting people, they restricted themselves to highway

robberies. The first reported kidnapping was in 1979 and the victim was the son of Rafi Kachelo, a supporter of Bhutto. As arms flooded in from the war in Afghanistan, kidnappings became more common. The arsenal held by Black's group includes mortars, rocket-launchers, 12-bore shotguns and Kalashnikovs. These compare with the ancient Enfield rifles of the police who, for 268 months, can be forgiven for not standing up to such weaponry.

It is estimated officially that Dadu now has 150 dacoits to every square kilometre, the number shooting up after 1983 when the brutal army oppression of an uprising against martial law sent young men flooding into the forests. Hoth Chandio was one of these. "The army started raiding villages, burning down houses, stealing cattle and kidnapping women. In my village, Nari, they killed eight people. My brother was wrongly accused of a murder and put in jail. I knew I'd be next. There was no-one to help us; our only recourse was to flee into the jungle where we were harassed criminals."

But the breakdown of local administration meant that dacoity was easy money. It is thought that 75 per cent of the police are in league with the bandits, receiving a 20 per cent cut. One of Black's gang has a brother who is a local police officer, and Black claims they have on occasion used police vans. Police even pay large bribes to be posted to the area because it is so profitable.

Wearing colourful, mirrored caps to show their Sindh origins, most dacoits have become highly political and took an active, if unavowed, part in the election last November that resulted in Benazir Bhutto's election. Black claims he has buried his latest booty: "We are not dacoits. We are crying for our rights, for the problems of Sindh."

Like many, he thought Bhutto's Pakistan People's Party (PPP) would be sympathetic and give a general amnesty, but the Sindh Chief Minister, already under fire for being weak, refused on the ground that "this would be like giving them a licence to commit more crimes." Black has 23 charges against him and had a Rs200,000 (294,000) reward on his head, still has hope. "Being dacoits was our way of rebelling against martial law. We helped the PPP in the elections and they gave us assurances we'd only be tried for police cases and treated leniently. Now, everyone's watching what happens to me."

Some dacoits have become heroes, modern-day Robin Hoods who rob from the rich and give to the poor and whose daring exploits are told to wide-eyed children. One of them, Feroz Chandio, was in a film made about him. Once a barber, he killed 83 people and held 500 around in police uniform. Following a daring jailbreak in 1982, he played cat and mouse with the authorities for six years. No wedding was complete without him, and when he was killed - betrayed by his best friend, who dragged him and then drove him into a police ambush - thousands went to his funeral, including local officials.

The British Army and Shun Sedgwick, an American war correspondent, rescued on the door. "Everything all right," they asked. The smell of leather bindings, Sedgwick wrote, was a miraculous sign of returning civilisation although he could still hear the rumble of the tanks. Within weeks, the memorial was opened again to the public.

Now, it is under threat again from a less dramatic enemy but one just as destructive. The facade needs to be repaired, the facade re-surfaced and recovered, and the water system renewed.

The Association of Friends in Britain and the US, which has maintained the house since its purchase, is appealing for the modest sum of £250,000. The Queen Mother is patron of the distinguished appeal committee which is mobilising support. Any suggestions should be made to C. M. Mann, 16 Leight Street, London, WC1H 8EW (tel. 01-387-0620). Make cheques payable to the Keats/Shelley Memorial Association.

Threat to poet's house

Urgent repairs are needed, reports William St Clair

Whatever the contemporary literary establishment might say, I know the house. When, in 1930, property developers proposed to build a hotel on the site, eight American writers resident in Rome led a successful protest. By 1906, a subscription in Britain and the US had raised enough money to buy the house, and in 1909 it was opened formally in the presence of the King of Italy.

A rich array of original pictures and manuscripts was donated by family heirs and other collectors; a library was established; and the house became a memorial, not just to Keats but to Shelley, Byron and the other English romantic poets who had chosen to live in Italy. It became rapidly a favoured visiting place among tourists as well as scholars, a symbol of the links between Italy and the English-speaking world.

The strength of these bonds was shown a generation later during the Second World War. The main treasure of the house were hidden by the Italians deep in the abbey of Monte Cassino where, unlike the abbey's own works of art, they escaped looting by the German Goering Division. On September 10, 1943, when the Piazza di Spagna was shelled by the Germans, 26 survivors with shattered windows and a damaged roof. Shortly afterwards, it survived again when partisans set fire to a neighbouring house used as a fascist headquarters.

On June 4, 1944, the Allies entered Rome. The next day, the Italian curator opened the windows of No 26 for the first time since the start of the war. At 6am, the memorial had its first visitors: Captain Mason of

The rhino's last chance

PLANET EARTH

Since the river is also an international border with the Zambezi Government is essential to any campaign of preventing the poachers easy access to their prey. This, it has to be said, has not so far been adequately forthcoming.

The rhino is particularly vulnerable to poachers because it is a creature of set habits: it prefers regular and predictable paths and waterholes, and makes its appearance unmistakably clear by scattering its dung with its back legs.

The Zambezi Valley covers 12,000 sq km and the National Parks has only one man for every 200 sq km, so effective patrolling cannot be done. Although Unesco defined parts of the valley as a World Heritage Site in 1984, there are just not enough funds allocated by the Zimbabwe Government to protect it.

"Would you believe," Mark Brightman, the Parks Ranger, asked us, "that we don't even have a helicopter?" He had one once, but it was withdrawn when funds ran out, and the Zimbabwe airforce has none to spare. "If a poacher is spotted, it may take us three days to get there, by which time he is gone."

On average, one rhino a day is being killed. There used to be between three and four thousand in the Valley, but since the poachers, few are now left - no-one is certain just how many remain. Even when 300 were dragged and air-lifted from the Zambezi border - the poachers followed and

found them, with the inevitable result. But why, one might wonder, would anyone want the horn of a rhino anyway? In the Yemen the horns are polished and carved into ceremonial dagger handles. In the south east Asia and the Far East the horns are ground into powder and used (absurdly) as aphrodisiacs and cures for fever.

This is in spite of an international agreement through CITES - the Convention on International Trade in Endangered Species - in which all countries of the world agreed to a total ban of trading in rhino horn products. Authorities have been unable to plug loopholes in the Yemen, Burundi, Macao and the United Arab Emirates.

As so often in the destruction of animal life, those truly responsible are far from the scene of the killing, shielded from the question of whether this material for their daggers or potions is "worth" the death not only of this one par-

icular animal but also, eventually, the extinction of a whole species. For those who capitalise on such human ignorance or greed, one kilogram of rhino horn is worth \$25,000. Each horn weighs about 3kg.

The temptation at the end of the line for the actual poachers - often poor people from Zambia who are paid more for one horn than they can hope to make in a year - must be great. The Zimbabwe Government, as a last resort, has declared them enemies of the state and, as such, they may be shot (inevitably raising the moral issue of whether it is right to kill a man to protect an animal).

Consequently, a new level of violence has entered the conflict between the poachers and the rangers, and people from both sides have been killed and wounded. Zimbabwe's President Mugabe signed a bill last month granting indemnity to the rangers for the deaths of poachers, though more rangers and more equipment per square kilometre would mean that poachers could be brought more justly into the courts, where a five-year sentence is now mandatory.

The rangers desperately need more funds, and helicopters in particular. While we were being briefed in the Valley command post, suddenly, from the crackling radio on the table, came the urgent voice of another ranger: "Contact... three... hundred metres... good... blood spoor... lost him..."

A poacher had been seen, shots fired, there was human

Jules Cashford

The Invisible Fence advertisement featuring a dog and text describing the electronic containment system.

HOW TO SPEND IT

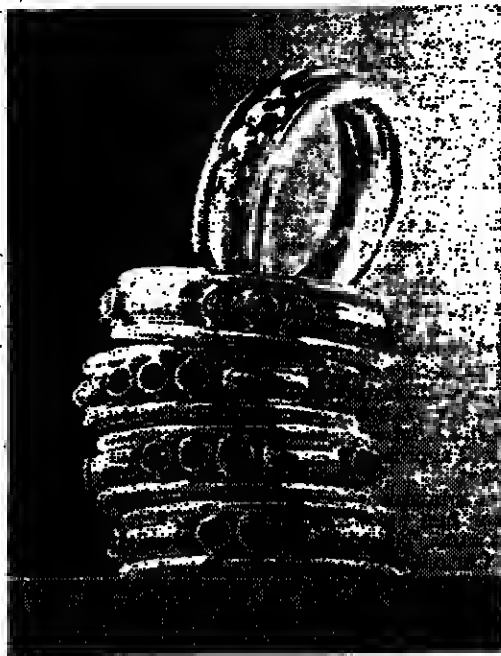
Jewellery for the simple at heart

There's less glitter as designers go for classic pieces that don't cost the earth, says Lucia van der Post

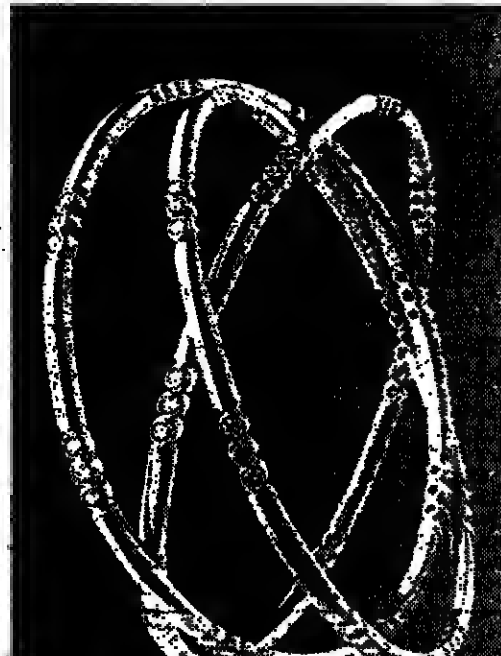
ONCE UPON a time - I have it on the best authority - gentlemen used to buy jewellery for their lady loves. Those were the days when all the prime ministers were men...

evening glitter, designed to emphasise the shien of the bosom or the pearliness of an ear lobe, are not top of the shopping list for today's high-earning woman. What she wants is something bold and sculptural to brighten up her chalk-striped jacket...

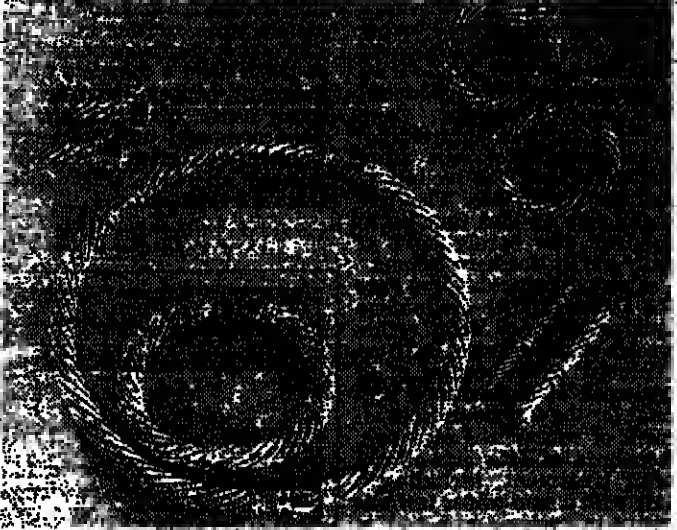
simple, classic collection of pieces that don't cost a king's ransom and can be worn from dawn to dusk - to the office or out to dinner. Just as the couturiers who survived these grim years after the First World War were those who realised that old markets were dying and new ones needed to be created...



Gold rings from the Garrard One One Two collection. Rings range from £250 for the plain gold to £900 if embellished with diamonds. The 18 carat gold, triple bracelet with diamonds, £5,500. From Garrard, 112 Regent Street, London, W1



Emma Forbes, currently presenting Life Style on satellite television, wears Leo De Vroomen's collection of earrings (£2,838), brooch (£3,537) and bangle (£4,785). All feature diamonds and 18 carat gold crafted with ebony. These pieces are currently travelling around the country with De Beers Diamond Occasions collection and from October 30 will be at Eric Smith, 201 Ayr Road, Newton Mearns, Glasgow. From December 14 the entire collection will be at Argenti, 62 Fulham Road, London, SW1, which, in the meantime, will take orders



David Yurman's Cable Collection: Gem earrings on the left, £2,170; rings range from £190 to £350; the hoop earrings are £470; the small brooch on the right is £225; the larger, £685. The large necklace, of mainly silver but with some 14 ct gold is £535, while the silver bangle with gold ends is £483. From Mappin & Webb, 108 Regent Street, London W1 and branches

When working women first began to acquire little pieces of glitter for herself, they tended to be inexpensive and fake. As her progress up the working ladder grew, more and more it seemed that she wanted it real and classic. Fake jewellery is fun and often highly fashionable, but as it, too, has risen in price, she is turning increasingly to gold and silver, precious and semi-precious stones.

At Garrards, a long-time purveyor of engagement rings, coronets and tiaras to royalty, they have seen the signs. They have noticed that royal engagements do not happen every day and that there is not much call now for coronets and tiaras. They are looking to the "younger" (trade euphemism for poorer) woman to expand their market, and from November 8 will be launching their first "branded" collection of jewellery designed in-house.

Clearly, however, these younger women are not expected to be all that "young" (i.e. poor) for prices, although eminently reasonable by grand jewellers' standards, are not exactly peanuts. Plain gold rings will sell at £250 a time (but as soon as you add the diamonds, the price jumps to £900). Eighteen-carat, three-gold triple bracelets with diamonds are £5,500 (although for

£4,750 you could have them with sapphires, emeralds and diamonds instead of all diamonds). However, the collection is classic-looking, very wearable - and will never date. At Mappin & Webb, they have for some time been developing a collection of designer jewellery for the successful modern working woman. The Mappin & Webb customer, it seems, wants a fashion look but she wants it to be real. She, too, is tired of fakes that

fall to bits. The latest assemblage to reach M&W's counters is David Yurman's Cable Collection. Already famous in the US, where the gritty showbiz set have taken to his pieces with the kind of enthusiasm only they can muster, the "cable" bracelets - the twisted strands of gold and silver embellished with precious and semi-precious stones - are now flaunted on many a famous wrist (Joan Rivers, Angie Dick-

inson, Farrah Fawcett, Lir Taylor et al). There are some 100 different pieces in the collection, ranging from rings to bold but almost classically simple twisted necklaces and brooches. Prices start at £95 for the simplest ring and go on to £5,500 for an 18-carat gold necklace studded with gems. The whole collection is available at all eight Mappin & Webb stores (the main branch is at 170 Regent Street, London, W1).

Art goes to market

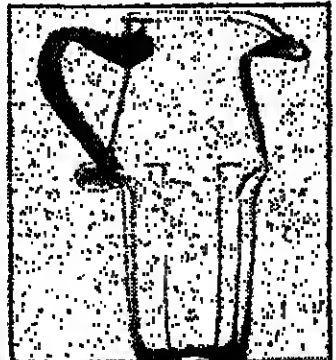
EVER since the first Contemporary Art Society market at Smith's Gallery in Neal Street, Covent Garden, London WC2 - opened its doors, a vital bridge was formed between artists with nowhere to show their work and potential buyers scared off by conventional galleries.

put it, "the atmosphere was more cash and carry than Cook Street" at least many unrepresented artists had a showcase for their work and many buyers had their first taste of buying contemporary art. Nobody ever doubted the market fulfilled a need, but even the most optimistic never guessed how deep the need was.

set of pictures - all the larger works hung together. As always, there will be a mixed collection of works on offer, some 1,600 in all ranging from simple drawings to huge sculptures. Prices will range from £100 to £1,000 (although there will be a few pieces under £100) and those taking part include such luminaries of the artistic world as Eileen Agar (now aged 90 and an eminent ex-patriot), Anthony Caro, Eduardo Paolozzi, Patrick Probert and Bridget Riley as well as young artists just starting their careers. For those wondering what this means in terms of standards, it is worth noting that everything on sale will have been selected by the Contemporary Art Society. Meanwhile, anyone taking



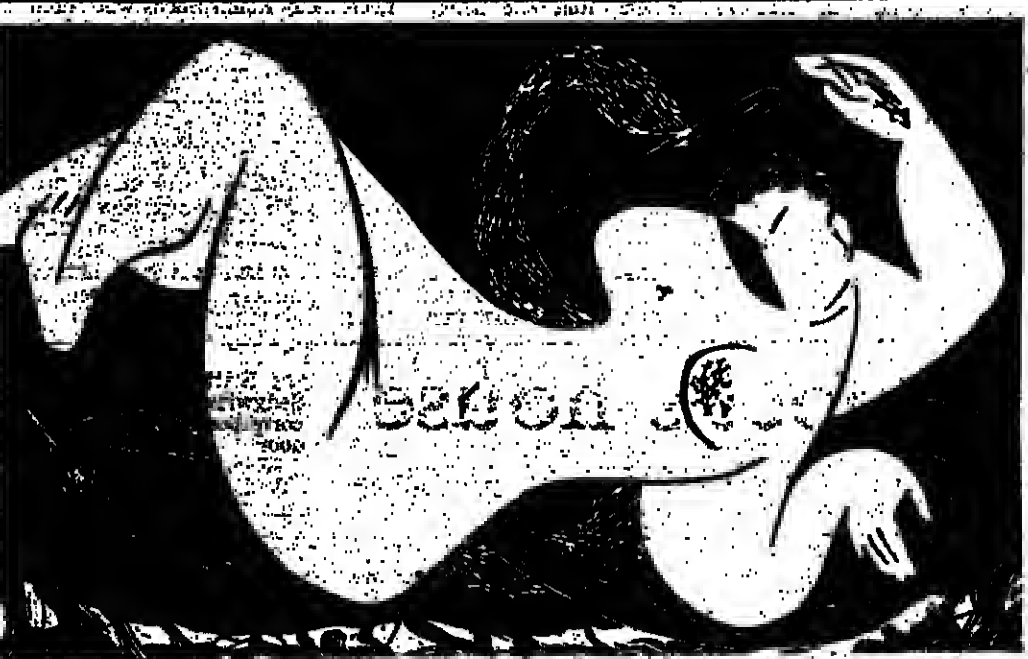
Bowl by Annette Meech, incorporating her glass tiles, £402.



Green-handled jug by Christopher Williams, £350

the trouble to visit Covent Garden for the art market, and who has a taste for modern art and crafts, should make a point of looking in at The Glasshouse at 65 Long Acre, WC2, where there is always a splendid collection of handmade glass. And with Christmas beginning to loom large, it might be well worth considering a one-off, highly idiosyncratic piece of hand-made glass instead of a more mundane factory-made number. Starting on October 25 is an exhibition of work by two fine glass artists: Christopher Williams and Annette Meech. Most of their work is highly usable - Meech does some

particularly desirable bowls and vases using a technique she has developed of taking small glass tiles fused in the kiln and then encasing them in her clear glass forms. Williams has some strongly individual jugs. He takes the classic shape and then adds his own idiosyncratic touches. He stretches, rounds, bends and moulds, giving them whimsical spouts and handles and turning what otherwise would be utilitarian items into highly desirable pieces of useful art. Prices will range from £250 to £500.



Treesies, a product by Taugman Dis, £190, from the Contemporary Art Society market

City life? It's enough to give a Green the blues

IT IS DIFFICULT to be Green in a city when you know that almost every move you make can damage the Earth. A committed Green life is a series of crucial moral decisions about simple, every-day actions: what to buy, what to boycott, what cleaner to use, what to do with the pebbles when there is no compost heap, how many empty make it worth while driving (more pollution) to the bottle bank, and so on.

(with mercury-free batteries in her Walkman), she chooses an energy-efficient shower instead of a bath: she fills her ecologically-sound AEG washing machine with phosphate-free powder before setting meals instead of toast (less wasted energy). After throwing away the meal bag, she makes a note to write to Safeway and suggest degradable packaging. Her coffee filter paper is made from unbleached wood pulp (chlorine-free) and Gaby intends to buy a re-usable filter as soon as possible. She has stopped

using the dish-washer because it is impossible to line bio-degradable powder, so she cleans the breakfast dishes by hand. By the time Gaby is dressed and ready to travel to the office she has, apart from throwing away the mesh packet and the used coffee filter, contributed the bare minimum to global warming and pollution. Unfortunately, her refrigerator is filled with ozone-eating CFC and the newspaper in her hand has contributed towards de-forestation. She has also noticed that when all the bubbles from the bio-degradable, biodegradable laundry cleaner subside, the bowl is still rather grimy.



leaves in the evening, she has effectively wiped out the good Green deeds she practices at home. After a glass of organic wine with colleagues, she hails a taxi for home. A black cab might not be as energy-efficient as the Tube but at least it's safe. And diesel, although a serious pollutant, is lead-free. It's hard to be morally pure after a hard day.

bio-degradable washing powders is a constant annoyance. Ecologically-sound detergent might not pollute the rivers and fertilise algae (which takes oxygen from the fish) as do soaps that contain phosphates, but Green detergents just do not get dirty washing really clean. So, is it ecologically OK to use a biological washing powder every now and then? Decisions, Decisions. Committed Greens long for a time when they can go calmly about their daily lives and feel guilty about fundamentals (such as never having read Proust) rather than about the Domestos they squirted down the loo.

Advertisement for Audemars Piguet 'The Automatic Chronograph' watch. The watch is shown in a detailed illustration. Text includes 'THE AUTOMATIC CHRONOGRAPH', 'Audemars Piguet', and 'La plus prestigieuse des signatures'. It also lists 'AVAILABLE AT: ASPREY, GARRARD, LONDON HILTON, MAPPIN & WEBB, DAVID MORRIS, TYME, THE WATCH GALLERY AND WATCHES OF SWITZERLAND.'

nightmare. The milk is in little plastic punnets and the vending machine dispenses only polystyrene cups. The new kitchenettes look like McDonald's, where the central feature is a bin big enough to store as a monument to the god of packaging: punnets, cups, sugar cube wrappings, plastic spoons... it's really difficult to enjoy coffee when you know that the raw materials consumed in producing a little cup of black liquid are enough to keep a Third World village going for a week. But Gaby needs a lift before that meeting, and suspends her morality till the caffeine has taken effect. Then she feels guilty. Office work has become a torment because of the waste it produces. The computers spew out vast quantities of unwanted paper, and then print on only a portion of it. Everyone now sends faxes instead of 'printing'. The lights are never switched off, and only the air is ever recycled. She has asked for secretaries to be issued with CFC-free Tipp-Ex (it exists), and she has had a word with the office manager about sending the waste paper for re-cycling. But there has been no response; he thinks being Green is simply a matter of bagging and binning. By the time Gaby

committed urban Greens like Gaby live a quixotic life, at odds constantly with a system designed to make them create waste. Take newspapers. Unless you live near a Scout group, you seem to be the only people dumb enough to collect small quantities of scrap paper, there is little use for well-read FTs and party-read copies of the Sunday Times. Newspapers pose a particularly difficult problem for committed Greens. They can't boycott the publications that contribute to de-forestation because they need the information to keep up with Green issues. And they don't have enough space to collect the tonnes of paper necessary to interest the scrap merchants. Lack of space also means vegetable peelings have to be thrown away and can't be composted. Some Greens put their peelings through the waste-disposal grinder because they think there might be some chance the parrot carrot skin will feed a floater flapping through sewage waste in the Thames estuary. For Greens who wear white or have sports-playing children, the inadequacy of

wealth of nations. The traditional Hungarian shirt from a unique collection of the world's indigenous clothes, imported exclusively by Wealth of Nations. For your free copy of the collection visit us at 27 South Square, London EC4A 3DF.

Advertisement for 'Wealth of Nations' featuring a traditional Hungarian shirt. Text includes 'Wealth of Nations', 'Traditional Hungarian shirt from a unique collection of the world's indigenous clothes, imported exclusively by Wealth of Nations.', and 'For your free copy of the collection visit us at 27 South Square, London EC4A 3DF.'

Advertisement for DAKS Simpson featuring a man in a suit. Text includes 'DAKS Simpson', 'Peter Knight', 'CLOSING DOWN SALE (END OF LEASE) of Handmade Oriental Carpets and Rugs 75% OFF ALL STOCK', 'EVERYTHING MUST BE CLEARED', 'OPENING HOURS: MONDAY to SATURDAY 9-30 am to 6-30 pm SUNDAY: 10-30 am to 6 pm', 'BELGRAVE CARPET GALLERY LTD, 3 OLD BOND STREET, LONDON W1, Tel: 01-499-6149', and 'ONE LOOK TELLS YOU IT'S DAKS'.

ARTS

THE HAPPINESS of the elephants, as international concern ensures that they get some protection from the ivory bandits, is not perhaps totally shared in the salerooms. The new restrictions on the trade in ivory creates complications and places burdens on the sale of antiques made of, or including, ivory.

Miniature fuss about ivory

Salerooms are sanguine about restrictions, says Antony Thorncroft

figures, netsuke, furniture inlaid with ivory, early pianos, etc. It could in theory hit the auctions of Sotheby's and Christie's in London hard. At the moment both salerooms are sanguine: they expect good sense to prevail, and Christie's is confident that its Monday sale of portrait miniatures, its best in the field for some time, will prove successful, even though some of the lots have an ivory base.



Hilliard miniature, possibly of the 3rd Earl of Cumberland

1960s which was sold for almost £1m in 1986, there has been little to disturb the fancy. But on Monday Christie's offers two miniatures of exceptional interest and quality, both happily on vellum. This suggests that they are very old - as they are. One is a portrait

of King Edward VI, perhaps painted by the King's Painter William Scrots around 1550, perhaps the work of Levina Teerline, whose style is known from other royal miniatures in her hand. There is some repainting but this rare, early and historic object should make over £20,000, a vast sum in this market. The other miniature is by Nicholas Hilliard, the greatest artist in the field. It was painted in 1614 and possibly shows George Clifford, 3rd Earl of Cumberland. It is in excellent condition, and suggestive of the flamboyant pageantry of his day. The last good Hilliard on the market sold for £75,000 at Sotheby's in 1980. Christie's hopes the bidding will approach £70,000 this time, too.

The attraction of miniatures is that a collector can start with quite modest sums. There are examples at Christie's by Frederick Buck, a prolific painter of officers and gentlemen in the early 18th century, carrying estimates as low as £150. Obviously a pretty face or a martial air increases the price, and condition is very important, but what began as a cult of monarchy in the 16th century and was the monopoly of noblemen in the 17th had become a middle class fad in the century after 1750, and there is no shortage of supply. Even the work of a noted name in the field, like John Smart, active in the late 18th century, is quite modestly priced - if you have a fancy for an anonymous middle aged gentleman one by Smart might be acquired on Monday for under £2,000. Samuel Coles is an artist of the same period, from the so called Modest School of artists which seem currently under-valued. His version of Lady Fanny Chambers might only cost £500. Other bargain areas are 19th

century miniatures and miniatures on enamel, which have been cheaper than those on an ivory base: this could soon change. Sotheby's and Christie's send their best continental miniatures to Geneva for auction, but on Monday there is a decorative portrait of the Empress Josephine by the noted French miniaturist Jean Baptiste Isabey at Christie's. The name, the artist, and the prettiness of it all should ensure a price of around £10,000. The highlights at Sotheby's are preparatory drawings in watercolour for miniatures by John Smart. Such examples are rare and the estimates of £1,500 look low. But then this is a rather modest collecting area. Prices rise slowly but steadily. Most people buy miniatures in a particular area - children, soldiers, actresses; or buy a particular artist, or period, and tend to stay within their national boundaries. Christie's has only one Japanese collector on its books. This is a discreet collecting passion, but once your eye is in and the subtleties begin to be appreciated, it can provide much pleasure.

Radio

Topical talk

SOMETIMES I have complained that radio has no substantial feature on current affairs, like television's Panorama. Certainly there is much inquiry and comment in The World at One and The World Tonight, better than those shots of victims' funerals and sorrowing relatives on television. There is also File on 4, on Radio 4 on Tuesdays and Wednesdays. This is well-informed and keenly presented, but shares a major fault with Panorama - the Radio Times seldom says what it is to deal with. An important topical feature can't always be ready in time for its details to go to press.

This week's File on 4, reported by David Levy, dealt with the current spate of document-leakage in Northern Ireland. It added detail rather than development (nothing about this week's Anglo-Irish conference), but the amount of first-hand testimony, from every side, was interesting. Less interesting, but more common, were the recitals of ingrained prejudice. The programme gave an idea that we in England can barely have of daily life in Northern Ireland. Also on Wednesday was Face the Facts, another programme lacking advance detail. This week's examination of the Government sponsorship of a cyclotron at St. Thomas's Hospital for the fast neutron treatment of cancer was alarming. Accounts of late side-effects after treatment, including a talk with a man whose testis was virtually useless, who had to live on injected liquids, were deeply distressing, but despite medical advice, the Ministry's view is evidently unchanged. It would be good to know that people listen to programmes of this kind.

B.A. Young

Saleroom

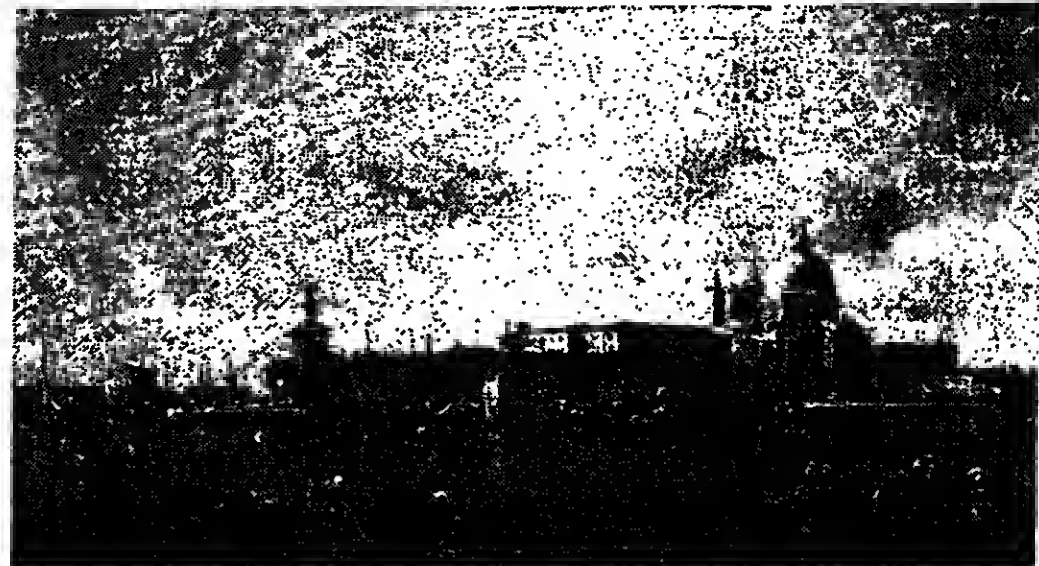
Gold of El Dorado

Homan Potters reports on the sale of the fabulous du Boisrouvray collection in New York

EIGHT PAINTINGS and a pair of drawings by Guardi, nine windy beads by Boudin; chalk drawings by Watteau; extensive collections of falconry; a group of carved animals by Fabergé; gold, and jewellery; these are among the variety of art works from a family collection that are to be sold by Sotheby's, New York, next week. The collection is that of the late Count and Countess Guy du Boisrouvray and of the three sumptuous catalogues for the sale, one is devoted to the magnificent jewels of Luz Mila Patino, Countess du Boisrouvray. She was one of three daughters of the legendary Bolivian tin tycoon, Simon Patino, and many of the jewels in the sale were received as gifts from her mother. The remainder were purchased for her (with her own money) by her husband, Guy du Boisrouvray, who also acquired a few baubles for himself: some fancy diamond cravat holders (estimate \$300,000-\$450,000) and several sets of matching cufflinks and shirt-studs in diamonds, sapphires, rubies or emeralds (estimates between \$7,000-\$30,000). He had also some ordinary items like gold cigarette cases, pens, and watches that were designed as often as not by Van Cleef & Arpels. According to the couple's daughter, Albrina du Boisrouvray, 90 per cent of the jew-

ellery was worn by her mother, the remainder by her father. The top lot is an emerald and diamond necklace made by Cartier in 1937 for Queen Isabella II, of Spain. Consisting of 12 emeralds with a total carat weight of 108.74 and 24 diamonds (total 59.36 carats), it is estimated at \$1.5m to \$2m and is sold en suite with a pair of earrings (\$175,000-\$225,000). There is also a Van Cleef & Arpels necklace of four colossal Kashmir sapphires set with diamonds and one other sapphire (\$1.5m to \$2m). An exquisite diamond necklace of 272 stones, the largest of which is 10.5 carats, is estimated at \$1m. Sotheby's says that the sale, which takes place on the evening of Thursday, October 26, is "the most important single-owner collection of jewellery to come to auction since the jewels of the Duchess of Windsor in 1987."

This is "the gold of El Dorado," as the British know it, as the exhibition of that title held at the Royal Academy in 1978. The du Boisrouvray Collection numbers approximately 80 lots and, although Sotheby's have two pre-Columbian sales a year, this is the first single-owner sale to come under the hammer. It was purchased, piece by piece, by Guy du Boisrouvray from André Emmerich in New York. That was during the 1930s at a time when pre-Columbian gold was just becoming fashionable. An 18-inch pendant necklace, which is estimated to sell at \$25,000-\$45,000, is the pièce de résistance of the Collection. It comes from the Coclé region of Panama and is made of a string of gold beads with 14 pendants in the form of alligators clinging to it by their mouths: it would originally have been used to adorn a corpse and the alligators were protective deities. There are also lesser elaborate necklaces, as well as ear ornaments, pectorals and pendants. Many are in the form of animals: cats, frogs, deer, lobsters, eagles, bats and monkeys; and they are beautiful. Estimates vary from about \$300 for a simple pendant to \$30,000 for a more elaborate one. Naturally,



Guardi's view of the Dogana and Santa Maria della Salute, Venice

André Emmerich will be watching the sale with interest. He says that he expects most of the estimates to be doubled and points out that many of the most important collectors of pre-Columbian gold are now European. Included in the same session of the sale are European and Chinese ceramics, a few items of furniture, a group of Fabergé carved animals and some domestic silver. Fifty-five French silver dinner plates by the Royal Goldsmith, Nicolas Benier, are estimated (reasonably) at \$120,000 to \$180,000; they were made in 1722 and are part of the Bateman Service. Most of the other silver is also French. Then there is a gold desert service with plates, bowls, and cutlery. This is

Mexican, dates from 1945 and is engraved with the du Boisrouvray arms. It will be sold in four separate lots with the plates averaging about \$4,000 apiece. The du Boisrouvray collection of paintings and drawings is small, with the core of the collection being a group of works by Guardi and Boudin. Highlight of the sale is a limpid view of the Venetian lagoon with the islands of S. Cristoforo, S. Michele and Murano by Guardi. Painted in the early 1760s, it is, as Guardi-scholar Sandro Bettaggia points out in an essay in the catalogue, "a sublime example and one of the most beautiful of all Guardi's views." It is estimated at \$3m to \$4m. The other paintings by Guardi are more typi-

cal of his general style: a pair of Venetian views dating from the 1770s are estimated at \$1.5m to \$2m and a pair of tiny views of the Molto are suggested at about \$250,000. The most highly-prized Poussin is also a view of Venice. Painted in 1655, it is estimated at \$1m; quite an advance on the \$23,000 it fetched at auction in New York in 1957. Some few items from the Collection will not be auctioned next week. The du Boisrouvray manuscript illuminated in Antwerp, will be sold in London on December 5. Consisting of 212 leaves with eight full-page miniatures, 24 calendar roundels and eight large historiated initials, it is estimated at \$1.2m to \$1.8m. Together with a lesser French psalter of the same period, it is all that remains of the du Boisrouvray Collection of medieval manuscripts. Everything else was donated to the Bibliothèque Nationale in Paris and the entire proceeds of next week's sale will go to a charitable foundation established in memory of the du Boisrouvray's grandson.

Well, about four million children were evacuated, and a lot of them must still be surviving. It's not as if they went to the moon, or spied for the Allies. One might as well have a feature about "I learnt to read," or "We tied our own shoelaces." Henry Cooper and Michael Aspel and the other 3,999,998 could do, equally entertaining, equally insignificant programmes about those. I think "My first bath" might be a winner. And so to news of the future: Gabriel Josepovici's play Mr. Vee is nominated for a 1989 Prix Italia. Mr. Vee, a famous painter, is to paint a family portrait of Rachel and Peter Mayor and their little girls, one of whom apparently has a verbal handicap. As the sitting is about to begin, Rachel's lover, Michael, unexpectedly arrives, and Mr. Vee insists on including him in the group, coming in or going out by the door. I confess that I often find

Records

Mozart mania hots up

THE MOZART race is on. Between now and 1991, the bicentenary year commemorating Mozart's death, almost every record company of any size is planning to deliver a cycle of the mature Mozart operas, while one (Philips) is amassing a complete recorded edition featuring every surviving note that the composer wrote. Whether James Levine is intending to deliver a Mozart cycle I do not know, but at the Salzburg Festival last year he certainly seemed to be everywhere. To walk into the Festspielhaus and hear his natural and affectionate performance of Le nozze di Figaro within an hour of arriving at the airport, as I did, was a most marvellous welcome. Mozart played by the Vienna Philharmonic Orchestra under Levine was surely all that Salzburg ought to be about. High hopes were thus entertained for the conductor's new set of Così fan tutte, recorded just a couple of months earlier last summer, but sadly the result is a disappointment. There can be no complaints as to the standard of orchestral playing from the VPO, which is graced with the same lyrical beauty and internal clarity of sound that distinguished their live performances on home ground. But what seemed to be the relaxed composure of a master of Mozart there in the pit is apt to sound more like a conductor's sluggishness on record. The opera never really takes off. The recording quality puts us down in a staid, not "live" in an opera house, and the cast do not respond as though the show is for real. The most disappointing is Kiri Te Kanawa, on whose name sales of this new set no doubt depend. She has recorded the opera before, but her singing of Fiordiligi here has neither the radiance of tone for which she was renowned in the past, nor the compelling character that other singers have brought to the role. Elsewhere there is a reasonable amount of good singing, but not much in the way of a spark to raise the dramatic temperature. Ann Murray makes an appealing, light-

Mozart: Così fan tutte. Kiri Te Kanawa, Ann Murray, Marie McLaughlin, Hans Peter Blochwitz, Thomas Hampson, Ferruccio Furlanetto, Vienna Philharmonic Orchestra/James Levine. DG 423 897-2 (3 CDs). Schubert: Lieder Vol 2. Stephen Varcoe, Graham Johnson. Hyperion CDJ 33002 (one CD). Schubert: Lieder Vol 4. Philip Langridge, Graham Johnson. Hyperion CDJ 33004 (one CD). Schubert: Die Winterreise. Olaf Bär. Geoffrey Parsons. EMI CDC 7 48334-2 (one CD). voiced Dorabella. There are very capable solo performances from Hans Peter Blochwitz as Ferrando and the spirited Thomas Hampson as Guglielmone, though the former is apt to be over-generalised. Marie McLaughlin's strong Desdemona briefly sets the proceedings alight with her first aria and Ferruccio Furlanetto as Don Alfonso reminds us how effective a native Italian can be with Da Ponte's brilliant text. But ultimately the spirit of Così fan tutte - its sharpness of observation, its ability to show human nature twist and turn with a truthfulness that cuts to the bone - is missing and none of the singers is dominant enough to do anything about it. With so much Mozart locked up in record company vaults waiting for the magic combination of 1991 to open the door, it must be better to wait and see. The bicentenary of Schubert's birth will not be with us until 1997 but in this case there is no need to hold back. Although the CD era is bringing us a number of major projects none is more welcome than the plan of Hyperion to record all the Schubert Lieder over the next eight years - a brave undertaking for a small company. It has already brought its first fruits of reward. The opening volume of the cycle featuring Janet Baker, enthusiastically welcomed in this column last autumn, has just won this year's Gramophone award for best song recording. Two further volumes have since been issued and the general excellence of their planning and pre-

sentation has triumphantly confirmed the potential of the whole enterprise. It is impossible to fault the skill with which Graham Johnson, as both guiding spirit and accompanist, has devised the programmes for the discs to date. Each has candidly taken into account the individual vocal personality of the singer, while striking an ideal balance between well-known and unfamiliar songs. I had never realised before how hard Schubert worked to perfect the essential simplicity of his style, which by no means comes naturally in his earliest pieces. The second volume features Stephen Varcoe, a young baritone who has appeared with the Songmakers' Almanac, and the fourth Philip Langridge. Neither is vocally perfect, for Varcoe's light baritone can lose quality at the top, while Langridge sometimes sounds hard-pressed in tone and ungainly in vocal line. But they both make these songs come alive with an eagerness to communicate that one would long to hear from many a more established, Lieder singer. If this is the result of working with Graham Johnson - the penetrating perception of his accompaniments suggests it probably is - the series holds a splendid promise that standards will be upheld in its subsequent volumes. How valuable it is when scholarship and first rate practical musicianship go hand in hand in one individual. Finally, a note on a new recording of Die Winterreise. It will probably be years before Johnson's cycle climbs to this pinnacle of the song repertoire (which singer, I wonder, will raise Hyperion's flag at the summit?). But in the meantime Olaf Bär has committed a young man's interpretation to disc, marvellously intimate in the score's quietest pages, even if the emotions could sometimes hit home with a more specific verbal thrust. The prospects for Schubert at 200 look most encouraging.

Richard Fairman

MAGYAROK - BRITAIN SALUTES HUNGARY. WEDNESDAY 25 OCTOBER 7.45pm. In the presence of the patrons, TRF The Duke and Duchess of Kent and Mr Izure Pozsgyos, Hungarian State Minister. BUDAPEST FESTIVAL ORCHESTRA. IVÁN FISCHER, Conductor. ZOLTÁN KOCSIS, Piano. KODÁLY Dances from "Mozart's" LISZT Piano Concerto No 1 in E flat major BARTÓK Concerto for Orchestra. Gala concert in aid of the Foundation for Constructive Education SPONSORED BY THE DAILY MAIL. Seat prices £12.50 £9.50 £7.50 ONLY. SIMON RATTLE WEEKEND AT THE BARBICAN. SIMON RATTLE, Royal Philharmonic Society Conductor of the Year conducts. CITY OF BIRMINGHAM SYMPHONY ORCHESTRA. SATURDAY 28 OCTOBER 7.45pm. HEINZ HOLLIGER Oboe PATRICK POWELL Trombone. MEN OF THE CBSO CHORUS. STRAUSS Oboe Concerto LISZT A Faust Symphony. SPONSORED BY BPO plc. AND SUNDAY 29 OCTOBER 7.30pm. BARTÓK. The Wooden Prince (complete) The Miraculous Mandarin (complete). CBSO CHORUS. SPONSORED BY AFP plc. Seat prices for both concerts £18.50 £16.50 £13.50 £10.50 £7.50 £4.50. SUNDAY 29 OCTOBER 4.00pm. LISZT PIANO SERIES. ZOLTÁN KOCSIS. Kocsis is the brightest star in the Hungarian musical scene. Sunday Telegraph. LISZT. Hungarian Rhapsody No. 5, Ave Maria, Aux Cyprès de la Villa d'Este No. 2, Jeux d'Eau à la Villa d'Este, Gondole Funèbre No. 2, Csárdás Maccabre. SCHUBERT. Sonata in B flat major D960. SPONSORED BY THE WOLFSON FOUNDATION. All seats £6, concessions \$4. SATURDAY 4 NOVEMBER 7.45pm. BBC PHILHARMONIC ORCHESTRA. EDWARD DOWNES Conductor. Programme includes LISZT. Symphonic Poem: From the Cradle to the Grave. MAHLER. Symphony No. 1 (Original version with "Blumine"). Seat prices £18 £12.50 £9.50 £7.50 £5. BARBICAN HALL. 01-638 8891 (9-5 daily).

SPINK COIN AUCTIONS Sale No. 72. Thursday, 9th November 1989. at the Cavendish Hotel, London SW1. 'BRITISH GOLD SALE OF THE YEAR'. The Sharps Pixley Collection of Gold Coins. 290 lots including many rarities: Edward V Angel, Crownwell Pattern 50 shillings, The 1773 Pattern Five Guineas and Two Guineas, Many rare Sovereigns, 1853 Proof Set. Send 25 for fully illustrated catalogue. Spink & Son Ltd. King Street, St James's, London SW1Y 6QS. Tel: 01-499 7885 (24hrs) Telex: 912711.

ROBIN KERMODE * HILARY CROWSON. Hugh in ITV's 'French Fields' Julie in BBC's 'Bread'. Funny Peculiar. MIKE STOTT'S HILARIOUS COMEDY. with special guest star JILLY JOHNSON. OPENS NOVEMBER 23rd. MERMAID THEATRE. Box Office and Credit Cards: 01-236 5568. Open All Hours 01-379 4444 (no booking fee). WARNING: THIS PLAY CONTAINS SCENES OF NUOITY.

25 OCTOBER - 21 NOVEMBER 1989. BARBICAN CENTRE. Nine free foyer exhibitions. Photography. Crafts. Painting. Four Poster Ages. Concourse Gallery. From Belle Epoque to Bauhaus... from social realism to the 80s. The first British exhibition of Hungarian posters. THE LARGEST CELEBRATION OF HUNGARIAN ARTS AND ENTERTAINMENT FOR MORE THAN 80 YEARS.

ARTS

Artists and craftsmen out in the cold

William Packer argues that the Wilding report on arts funding has got it wrong

SUCH IS the general level of confidence in the Government's stewardship of the arts that news of an official report into its funding can only promote the deepest foreboding...

ture, with the national companies freed to make their case directly to the Treasury. Such new, smaller bodies would at least focus their efforts more precisely upon their particular disciplines.

Who would benefit by such a move? Certainly not the community of fine craftsmen in this country, whose present robust condition across an extraordinary range of activity...

though still desperately underfunded, has put its house in order so well as to become modestly profitable - to the extent that its profits now match its salary bill...

THE NATIONAL Review of Live Art is an annual forum of new theatre and visual performance work, now in its ninth year...



Derek Jarman's 'Installation'

Elusive outrage in live art

men, lend me your REARS: Writer says William Shakespeare was gay. There follow glowing reports of the deaths from AIDS of Rock Hudson and Bill Gibb...

Jason Bowman's The Encyclopedia of Ocul Pellets makes the terrible mistake of involving physically disadvantaged performers in a scenario about precision...

Much the best poetic synthesis of new style and performance art values as pioneered in this country by Jeff Nuttall and the People Show was Signal Box presented by the Damned Lovely, aka Nicola Mallin and Christopher Heighes...

Mad about the movies

Nigel Andrews previews the London Film Festival

THE LONDON Film Festival is here again: 33-year-old, teeming with celluloid, and like most arts institutions today gathering sponsors while it waits...

tern-ride lecture on early Zionism) or disappointing new films from Paul Cox (Island), Alan Resnais (I Want To Go Home) and Alain Tanner (La Femme De Sade 1970).

misunderstandings from the director of Splendour, with Marcello Mastroianni in top form. Ron Haiko-Eisen's City Of Sadness Venice Golden Lion winner, a 2 1/2-hour canvas of postwar Taiwanese history...

blending love story and Peeping Tom thriller. Jane Campion's Sweetie: brilliant hallucinatory black comedy, about love, hate, families and the Australian dream...



Scene from Brian de Palma's Casualties of War

Ligeti on the South Bank

THE SOUTH BANK's wide-ranging survey of György Ligeti began in the Festival Hall on Thursday evening with a concert by the Philharmonia, conducted by Esa-Pekka Salonen...

By sad coincidence one of the two Ligeti works included in this opening programme was first heard in Britain at a Sinfonietta concert in the mid 1970s. Clocks and Clouds is a sublime example of what should now be called middle-period Ligeti...

quies outside the European art-music tradition. These Philharmonia performances under Salonen were by no means immaculate, but they gave a precise taste of the way in which these concerts will make their points...

Literary lust for life

SPOKEN, COLLOQUIAL, Spanish, peppered as it is with sexual innuendoes, must be one of the most forthright languages in the world. When the expletives pour out in more polite and refined society the way to save face is to add quickly 'as Cela would have said'...

everywhere in Spain that Cela wrote about that searing period as it really was. Towards the end of the 1940s Mr Cela's damned condoury trousers, a peasant smock, a black beret, a shepherd's leather backpack and leather wine bottle and toured pueblos in the depressed area of the Alcarria...

Don Camilo, as he is known up and down the country, practices what he preaches: he has a vast girl and he has recently set up home with a blonde who is 40 years his junior. Cela wrote extremely good books about the Spanish Civil War and the hungry years that followed...

Habsburg, Feldman FINE ART AUCTIONEERS Auction Calendar listing various art auctions in Zurich, New York, Geneva, and London from October to January 1990.

ART GALLERIES ISRAEL ZOHAR EXHIBITION ENDS OCTOBER 31st ROY MILES GALLERY 29 Bruton Street, W1

To advertise on the Arts Diversions pages please ring either Julia Carrick - 873 3176 or Jane Emma Peckless - 873 3185

Pick of the week CHRISTIE'S THIS SILVER REGENCY table centerpiece is one of over 4,000 lots in the Summerfield Collection to be sold by Christie's this week.

